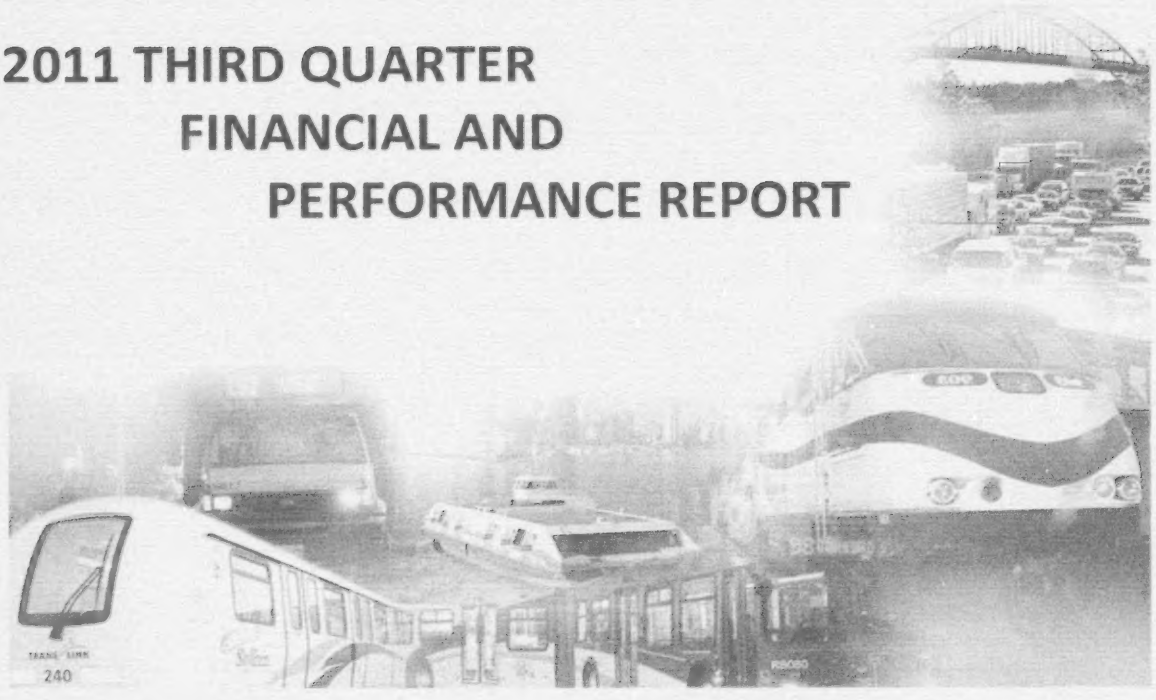
TRANS LINK

# 2011 THIRD QUARTER FINANCIAL AND PERFORMANCE REPORT



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## 1. EXECUTIVE SUMMARY

The results of the third quarter further emphasize the organization's success in establishing cost containment and efficiency improvements. The funded deficit at September 30 is $22.6 million, which is $12.7 million better than the second quarter results and is $32.3 million lower than budget. By year-end the funded deficit is projected to be $83 million, $23.9 million higher than budget. This increase in the last quarter is due to a delay in closing the sale of surplus properties, previously forecasted at $35.0 million. This sale will now be realized in 2012. In addition, fuel tax revenues are forecasted to be $25.8 million lower than budget with Provincial data indicating that volumes in the SCBCTA region have declined substantially over 2010 levels.

Several key initiatives were implemented and/or completed during the third quarter of 2011 throughout the organization. The "Moving Forward Supplemental Plan" was approved by the Mayors' Council on October 7, 2011. This plan provides the necessary funding for TransLink's share of the Evergreen Line.

With the approval of the Supplemental Plan, work is underway to determine when and where additional service will be provided.

On September 6th, the Real-Time Transit Information (RTTI) pilot (Phase I) was successfully launched. Phase II will start March, 2012.

The U-Pass BC program has successfully commenced 10 of the 11 eligible publicly funded post-secondary institutions (PSI's). In September, 2011, over 143,000 U-Passes were delivered compared to 83,000 for the same period last year.

The District of Mission and TransLink finalized a new five-year cost sharing agreement for West Coast Express service. This agreement will result in additional revenues for TransLink.

Since the program launched in February, 2011, TravelSmart registration has grown to 8,900 members. The program has been delivered to eleven elementary schools, five secondary schools and to 80 senior advocated for the TravelSmart Seniors program.

Both CMBC and BCRTC are active participants in the BC Hydro PowerSmart Continuous Optimization Program. Results for quarter three show projected savings of active, completed, and proposed energy projects estimated at 3.3 million kWh of electricity, 11.7 thousand GJ of natural gas, which equates to a future annual $330 thousand reduction in utility costs at CMBC alone. The program has identified six initiatives at BCRTC, one of which is an Energy Management Policy.

TransLink achieved Gold Level in the American Public Transportation Association Sustainability Commitment. This is the highest level achieved by any signatory, of which there are 77.

Looking forward, work on the Compass Card and Faregate Project (CCFG) is currently on schedule and within budget. Construction has begun at the SkyTrain stations and site teams are in attendance during the rush hour periods providing information to customers.

## 2. 2011 THIRD QUARTER OVERVIEW

The table below summarizes the 2011 financial results to September 30, 2011 compared to budget. An updated forecast to the end of the year and comparison to annual budget is also provided. All figures are on a funded basis. This presentation allows the Board, stakeholders, and the public to obtain a better understanding of the revenues that are available to fund annual Transit, Roads and Bridges and TransLink operating expenditures. Schedule 1 in Appendix 1 provides a more detailed summary of revenue and expenditures including GAAP amounts, schedule 2 provides reconciliation from GAAP to funded.

**TransLink (Excluding AirCare)**
**2011 Revenue and Expenditure Summary**
**On a Funding Basis**

| *$millions* | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.)* | 2011 Forecast | 2011 Budget | Fav./ (Unfav.)* |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Transit | 331.0 | 320.7 | 10.4 | 439.3 | 432.5 | 6.8 |
| Golden Ears Bridge Tolls | 25.0 | 27.5 | (2.5) | 34.5 | 37.8 | (3.3) |
| Real Estate | - | - | - | - | 35.0 | (35.0) |
| Taxation | 503.7 | 516.5 | (12.8) | 665.9 | 689.4 | (23.6) |
| Interest Income | 2.5 | 1.5 | 1.0 | 3.3 | 2.6 | 0.7 |
| Senior Government Contributions | 14.4 | 14.4 | - | 19.3 | 19.3 | - |
| **Total Revenues** | **876.7** | **880.5** | **(3.8)** | **1,162.2** | **1,216.6** | **(54.4)** |
| **Expenditures** | | | | | | |
| Roads & Bridges | 34.4 | 35.6 | 1.1 | 47.3 | 47.4 | 0.0 |
| Transit | 610.3 | 630.5 | 20.2 | 829.8 | 849.5 | 19.6 |
| Transit Police | 19.6 | 20.8 | 1.2 | 28.7 | 28.7 | (0.1) |
| TransLink | 40.2 | 48.6 | 8.4 | 62.8 | 66.6 | 3.9 |
| Studies & one-time projects | 1.4 | 7.0 | 5.6 | 6.4 | 10.8 | 4.4 |
| Provision for Contingencies and Reinvestments | - | - | - | 9.7 | 9.7 | - |
| **Total Operating Expenditures** | **705.8** | **742.4** | **36.6** | **984.8** | **1,012.6** | **27.9** |
| **Surplus/(Deficit) before Debt Service Costs/Capital Repayments** | **170.9** | **138.1** | **(40.5)** | **177.5** | **204.0** | **(26.6)** |
| Debt Service Costs | 159.5 | 160.0 | 0.4 | 213.0 | 216.7 | 3.7 |
| Golden Ears Bridge Capital Repayments | 34.0 | 33.1 | (0.9) | 47.5 | 46.5 | (1.0) |
| **Funded Deficit** | **(22.6)** | **(55.0)** | **32.3** | **(83.0)** | **(59.1)** | **(23.9)** |
| **Cumulative Funded Surplus** | **305.3** | **248.8** | **56.4** | **244.9** | **244.7** | **0.2** |

**Key Strategic Indicators**

| | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.)* | 4 QTRS. to 30-Sep-11 | 4 QTRS. to 30-Sep-10 | Trend ** |
|---|---|---|---|---|---|---|
| **Customer** | | | | | | |
| Average customer satisfaction score (Customer survey) | 7.7 | 7.6 | 0.1 | 7.6 | 7.6 | ▶ |
| Perception of safety and security on the transit system ( % scoring good to excellent in the Customer Survey) | | | | | | |
| Conventional Bus | | | | | | |
| OnBoard | 78% | 80% | (2%) | 78% | 78% | ▶ |
| Stop/Exchange | 70% | 75% | (5%) | 71% | 70% | ▲ |
| SkyTrain | | | | | | |
| OnBoard | 63% | 70% | (7%) | 62% | 59% | ▲ |
| Station | 59% | 70% | (11%) | 59% | 56% | ▲ |
| WCE | | | | | | |
| OnBoard & at Stations | 80% | 90% | (10%) | 86% | 91% | ▼ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per revenue passenger kilometre | $0.305 | $0.343 | $0.038 | $0.318 | $0.333 | ▲ |
| Operating cost per revenue passenger kilometre (excluding energy) | $0.281 | $0.318 | $0.037 | $0.296 | $0.314 | ▲ |

* Favourable/(Unfavourable) may include rounding differences.
** Trend compares 4 quarters ending this year vs. last year.
▲ favourable, ▼ unfavourable, ▶ no change

## 3. REVENUES

### TRANSIT

**Financial Performance**

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Farebox | $ 83,956 | $ 85,287 | $ (1,331) | $ 111,428 | $ 112,938 | $ (1,510) |
| Prepaid Fare | 185,240 | 160,853 | 24,387 | 240,319 | 215,390 | $ 24,929 |
| Prepaid Contract | 53,540 | 65,925 | (12,385) | 76,436 | 92,687 | $ (16,251) |
| Fares | $ 322,736 | $ 312,065 | $ 10,671 | $ 428,183 | $ 421,015 | $ 7,168 |
| Other | 8,308 | 8,593 | (285) | 11,121 | 11,512 | $ (391) |
| Total Transit | $ 331,044 | $ 320,658 | $ 10,386 | $ 439,304 | $ 432,527 | $ 6,777 |

**Key Performance Indicators**

| | | | |
|---|---|---|---|
| Boarded Passengers (000's) * | 261,482 | 263,901 | (2,419) |
| Revenue Passengers (000's) * | 173,456 | 161,792 | 11,664 |
| Average Fare per Revenue Passenger * | $ 1.86 | $ 1.93 | $ (0.07) |

* Includes Conventional & Access Transit revenue and ridership

**The methodology used for calculating Revenue Passengers changed for Actual YTD 2011**

#### Fares

***Third Quarter Highlights and Forecast***

Transit fare revenue is $10.7 million above budget year-to-date, and is forecasted to be $7.2 million above budget at year-end.

**Farebox** includes cash fares on all transit services and the Mission subsidy. Revenue for the nine-month period is $1.3 million (1.6%) below budget, largely due to migration from cash to prepaid fares. Lower Conventional Bus, SeaBus and Canada Line revenues are offset by higher SkyTrain and West Coast Express revenues. The Stanley Cup Finals positively impacted cash revenue between April and June which slightly minimized the unfavourable variance in Farebox. The forecast for the last quarter of the year reflects the continued migration from cash to prepaid fares, with a shortfall of $1.5 million (1.3%) being projected.

**Prepaid Fares** include FareSavers, FareCards (Monthly Passes), Day Passes, Employer Passes, Community Passes, and Prepaid Fares Other (refunds). Year-to-date revenues are $24.4 million (15.2%) favourable and by year-end are expected to be $24.9 million (11.6%) favourable.

- Year-to-date revenues for FareSavers, FareCards and DayPasses are $23.0 million favourable to budget and that position is expected to be maintained at year-end. The majority of the positive variance is due to higher than expected FareCard sales. The favourable variance reflects the delay of post secondary schools transitioning to U-Pass BC and migration from cash to prepaid fares.
- Enrollment in the Employer Pass Program is higher than assumed in the budget, resulting in a year-to-date favourable variance of $1.4 million (6.9%). The favourable position is expected to increase to $1.6 million by year-end.

**Prepaid Contract** includes Government Passes, U-Pass BC, and Canada Post. **These revenues are $12.4 million (18.8%) below budget at the end of September and are forecasted to be $16.3 million (17.5%) below budget by year-end.**

- **U-Pass BC revenue is $8.0 million (24.6%) unfavourable to budget and is forecasted to be $9.5 million (20.3%) unfavourable at year-end. This is offset by the favourable variance in Prepaid Fare which is caused by the timing difference between when schools actually joined the program and what was assumed in developing the 2012 budget. Seven additional post-secondary institutions were added during the year to the four that were in the original program.[1] The budget assumed that the U-Pass BC program would begin at Emily Carr in January, Vancouver Community College (VCC) and Douglas College in February, with the remaining four schools commencing in April. However, even though Emily Carr started on time, VCC's program launch was delayed to March and the other school's launch was in September (with the Justice Institute not yet started).**

- **Government Bus Pass Program revenue is $4.4 million (13.2%) unfavourable at the end of September and the variance is projected to grow to $6.7 million (14.7%) by year-end. Much of the variance is due to the budget assumption of higher rates upon renewal of the contract, which expired March 31, 2011. The contract is currently under negotiation and we continue to receive revenues from the original contract rates. Since the outcome of the negotiations is uncertain the forecast is conservative and makes no assumption of rate increases.**

### *Risks and Challenges*

Fare Evasion is an ongoing risk. TransLink's Revenue Management Committee has implemented several initiatives to increase fare checking visibility and enforcement, promote education and awareness, and continued monitoring and change tracking. BCRTC has increased fare checking, including scheduled and non-scheduled blitzes. In the last 12 months, over 6 million of fare checks were done on SkyTrain alone. CMBC has organized dedicated security teams at Broadway and Commercial. SeaBus staff is conducting full fare checks at both terminals. Signage has also increased at points across the system, reminding passengers of fares and inspection processes. Transit Police have doubled the number of fare checks and increased efforts in combating counterfeited fare media. A significant number of ads were removed from public websites for the sales of U-Pass BC cards and Post Secondary Institutions (PSIs) have been asked to step up communications regarding improper selling of U-Pass BC cards. Revenue task force team met monthly with representatives from across the entity to review data and discuss strategies.

## Other Revenues

### *Third Quarter Highlights and Forecast*

**Other revenue includes advertising, property rentals, park and ride fees, and various miscellaneous revenues. The year-to date shortfall of $0.3 million is expected to increase slightly to $0.4 million. Park and Ride revenues have been impacted by the ongoing construction at the Scott Road Station lot. Property rentals are lower due to the timing of expired contracts.**

[1] Emily Carr, Vancouver Community College, Douglas, BCIT, Kwantlen, Nicola Valley and Justice Institute of BC

***Risks and Challenges***

Minimal risk, as the majority of this revenue category is based on contracts.

## GOLDEN EARS BRIDGE TOLLS

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Toll Revenue | $ 24,986 | $ 27,497 | $ (2,511) | $ 34,473 | $ 37,792 | $ (3,319) |
| **Key Performance Indicators** | | | | | | |
| Crossings | 7,295 | 7,726 | (431) | 9,873 | 10,567 | (694) |
| Average Toll per Crossing | $ 3.43 | $ 3.56 | $ (0.13) | $ 3.49 | $ 3.58 | $ (0.08) |

### *Third Quarter Highlights and Forecast*

The unfavourable year-to-date variance reflects the lower than budget volumes, poor weather in the early months of the year and the impact of the April-May toll discount campaign. While the campaign did generate additional crossings the increase was not sufficient to cover the reduced revenue from discounted rates.

Using the average year-to-date toll rate and the traffic volume increase over last year, revenue is forecast to be $3.3 million under budget by year-end.

### *Risks and Challenges*

Although Golden Ears Bridge is experiencing year-over-year growth in traffic volumes, the most significant risk continues to be the ability for TransLink to achieve the budgeted level of revenues. Management has a task force looking aggressively at both short and long term strategies to support the bridge's strategic objectives including maximizing net toll revenue.

## REAL ESTATE

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Real Estate Revenue | $ - | $ - | $ - | $ - | $ 35,000 | $ (35,000) |

### *Third Quarter Highlights and Forecast*

Work continues on preparing land for sale and finalizing agreements involving sales of surplus property. The revenue forecast is now pushed out to 2012.

### *Risks and Challenges*

Certain revenue projects involve multiple parties and in-depth negotiations. Certain projects have regulatory related conditions involving environmental certificate of compliance and/or municipal approvals that must be met, prior to being able to close the transaction.

## TAXATION

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Fuel | $ 227,334 | $ 243,517 | $ (16,183) | $ 298,482 | $ 324,300 | $ (25,818) |
| Property & Replacement | 222,161 | 222,140 | 21 | 295,967 | 297,192 | (1,225) |
| Parking Rights | 40,161 | 36,900 | 3,261 | 52,467 | 49,200 | 3,267 |
| Hydro Levy | 14,066 | 13,926 | 140 | 18,954 | 18,737 | 217 |
| Total | $ 503,722 | $ 516,483 | $ (12,761) | $ 665,870 | $ 689,429 | $ (23,559) |
| **Key Performance Indicators** | | | | | | |
| Fuel volumes (000's litres) | 1,516.0 | 1,623.0 | (107.0) | 1,990.0 | 2,162.0 | (172.0) |

### *Third Quarter Highlights and Forecast*

Year-to-date revenues from Taxation are $12.8 million (2.5%) below budget and are forecasted to be $23.6 million (3.4%) below budget at year-end.

### Fuel Tax

Fifteen cents per litre fuel tax is applied to gasoline and diesel fuel sales in the transportation service region, with gasoline sales being 86% of total revenue. Year-to-date revenues are $16.2 million (6.6%) unfavourable to budget and are forecasted to be $25.8 million or 8.0% unfavourable to budget by year-end. The forecast for the last quarter of the year is based on the seven month (January-July) average of revenues received.

Over the last year the monthly revenue received from the Province has shown significant volatility. This volatility makes forecasting a challenge and raises questions about the stability of this revenue source. Discussions are underway with Consumer Taxation and Treasury Board staff to examine the revenue capture and reporting systems.

### Property and Replacement Tax

Forecast variance is due to appeals.

### Parking Rights Tax

Year-to-date revenues for Parking Rights Tax are $3.3 million (8.8%) favourable to budget and are forecasted to remain at that level for the balance of the year. As at the end of the third quarter, TransLink is administering remittances from 513 active vendors. 198 new vendors have been registered since Translink took on the responsibility for administration in July 2010.

### Hydro Levy

The hydro level is a flat rate charged on hydro bills. Actual revenue is 1.0% higher than the budget due to the growth in the region. The increase has been reflected through to the end of the year.

### *Risks and Challenges*

Declining fuel volumes and negative adjustments to fuel tax revenues and impacts on future funding from this source are a significant risk. Data from other sources on fuel sales both within and outside of our region is being gathered to better understand and confirm the trends we are experiencing.

## INTEREST INCOME

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| GAAP | $ 19,776 | $ 18,719 | $ 1,057 | $ 26,970 | $ 26,217 | $ 753 |
| Funding Adjustments * | (17,240) | (17,228) | (12) | (23,690) | (23,598) | (92) |
| Reclassification to offset Interest Expenses | | | | | | |
| **Interest** | $ 2,536 | $ 1,491 | $ 1,045 | $ 3,280 | $ 2,619 | $ 661 |

* Funding adjustments include interest on restricted government contributions, sinking fund and debt reserve fund

### *Third Quarter Highlights and Forecast*

Surplus cash and other liquid funds remain higher than budgeted as capital spending remains lower than budgeted, as well as TransLink's Bond issue was earlier than anticipated. Short-term interest rates are slightly lower than budgeted – around 1.30% vs. 1.45% budgeted.

### *Risks and Challenges*

Overall risk remains low as interest rates are already low and unlikely to go lower.

## SENIOR GOVERNMENT CONTRIBUTIONS

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Capital Contributions | 1,273 | 101,425 | $(100,152) | 183,016 | 176,666 | $ 6,350 |
| Operating - Canada Line | 14,412 | 14,412 | $ - | 19,269 | 19,269 | $ - |
| **GAAP Contributions** | $ 15,685 | $ 115,837 | $(100,152) | $ 202,285 | $ 195,935 | $ 6,350 |
| Funding Adjustments* | (1,273) | (101,425) | 100,152 | (183,016) | (176,666) | (6,350) |
| **Operating Contributions** | $ 14,412 | $ 14,412 | $ - | $ 19,269 | $ 19,269 | $ - |

* Funding adjustments represent senior government contributions to the capital spending program which reduce borrowing requirements, and the concessionaire credit for Canada Line

### *Third Quarter Highlights and Forecast*

The timing of Capital Contributions is difficult to predict. Forecast for the year is expected to be slightly greater than budget.

Operating contributions for Canada Line are on target with the budget.

### *Risks and Challenges*

Minimal

## 4. OPERATING EXPENDITURES

### ROADS AND BRIDGES

#### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Bridge Operations | $ 858 | $ 1,270 | $ 412 | $ 1,503 | $ 1,694 | $ 191 |
| Major Road Network (MRN) Operations | 24,503 | 24,624 | 121 | 32,669 | 32,829 | 160 |
| Capital Infrastructure Contributions | 22,920 | 48,242 | 25,322 | 73,239 | 67,571 | (5,668) |
| Contingency | - | 388 | 388 | 517 | 517 | - |
| Total MRN & Bridges Operations | $ 48,281 | $ 74,524 | $ 26,243 | $ 107,928 | $ 102,611 | $ (5,317) |
| Golden Ears Bridge | $ 8,802 | $ 9,181 | $ 379 | $ 12,316 | $ 12,233 | $ (83) |
| Albion Ferry | $ 276 | $ 100 | $ (176) | $ 328 | $ 100 | $ (228) |
| Roads & Bridges Before Funding Adjustments | $ 57,359 | $ 83,805 | $ 26,446 | $ 120,572 | $ 114,944 | $ (5,628) |
| Funding Adjustment* | $ (22,920) | $ (48,242) | $ (25,322) | $ (73,239) | $ (67,571) | $ 5,668 |
| Total Funded Roads & Bridges | $ 34,439 | $ 35,563 | $ 1,124 | $ 47,333 | $ 47,373 | $ 40 |

* Contributions mainly to municipalities and the Province for infrastructure improvements

#### *Third Quarter Highlights and Forecast*

MRN operations expenditures are slightly favourable to budget due to timing of contingency funds being used. Contingency funding is provided for known additions to the MRN that is dependent on when municipalities complete the work. The annual forecast is similarly under budget.

The Golden Ears Bridge favourable variance year-to-date is due to timing of expenditures, and by the end of the year, there is expected to be an $83,000 unfavourable variance. This is due mainly to costs associated with the extension of the Langley QuickPass Customer Service Centre, scheduled to close in April 2011, but extended for a year to April 2012.

The Albion Ferry was taken out of service on July 31, 2009. Management has been working with a broker to complete a potential sale of the vessels as well as developing contingency plans to seek alternative disposal methods in the event the sale does not complete.

#### 2011 Initiatives

Work is proceeding on the replacement of the Pattullo Bridge. The project is currently in the Project Definition Phase which will determine the bridge location, connections and number of lanes. This work will continue into summer 2012.

The MRN review is nearing completion. The review is investigating a number of issues such as the composition of the MRN, road improvement priorities and future funding policies.

The Golden Ears Bridge task force is working on a number of initiatives, including ensuring interoperability with the new tolled Port Mann Bridge, and developing strategies to increase revenue from the Golden Ears Bridge.

***Risks and Challenges***

There is pressure from the municipalities to provide more operating, maintenance, rehabilitation (OMR) funding to make up the shortfall between the current TransLink OMR funding levels and actual OMR costs being experienced by the municipalities for roads and for major structures on the MRN. OMR costs for the latter are not currently funded by TransLink.

## TRANSIT

### Operating Activity and Performance – Consolidated Transit Service

Transit Service operations is evaluated using established key performance indicators that are linked to the goals, objectives and strategies of the organization. Conventional System includes Bus service, SeaBus, SkyTrain, Canada Line, and West Coast Express. Access Transit includes HandyDART and the TaxiSaver Program. Improving or declining performance trends are determined by comparing the four-quarters ending September 30, 2011 to the four-quarters ending September 30, 2010 (hereinafter referred to as the "trend").

| CONSOLIDATED TRANSIT SERVICE (INCLUDING OLYMPICS) | Q3 YTD Actual | Q3 YTD Target | Fav./ (Unfav.)* | 4 QTRS. to 30-Sep-11 | 4 QTRS. to 30-Sep-10 | Trend **** |
|---|---|---|---|---|---|---|
| **CUSTOMER** | | | | | | |
| Overall performance rating (out of 10) (Conventional System) | 7.7 | 7.6 | 0.1 | 7.6 | 7.6 | ▶ |
| Complaints per 1 million boarded passengers (Conventional System) | 91.2 | 77.3 | (13.9) | 90.8 | 82.4 | ▼ |
| Complaints per 1 million boarded passengers (Access Transit) | 873.9 | 787.2 | (86.7) | 903.9 | 855.4 | ▼ |
| **CONVENTIONAL SYSTEM** | | | | | | |
| Operating cost per passenger kilometre ** | $0.305 | $0.343 | $0.038 | $0.318 | $0.333 | ▲ |
| Operating cost per passenger kilometre (excluding energy) ** | $0.281 | $0.318 | $0.037 | $0.296 | $0.314 | ▲ |
| Operating cost per total vehicle kilometre ** | $5.53 | $5.89 | $0.36 | $5.68 | $5.57 | ▼ |
| Average fare per revenue passenger | $1.86 | $1.94 | ($0.08) | $1.89 | $1.91 | ▼ |
| Operating Cost Recovery *** | 53.00% | 48.85% | 4.15% | 51.41% | 50.59% | ▲ |
| Passenger injuries per 1 million boarded passengers | 3.66 | n/a | n/a | 3.74 | 3.55 | ▼ |
| **ACCESS TRANSIT** | | | | | | |
| Operating cost per revenue passenger | $33.28 | $34.73 | $1.45 | $33.56 | $35.33 | ▲ |
| Operating cost per service hour | $77.35 | $80.22 | $2.87 | $77.77 | $81.82 | ▲ |
| Passenger injuries per 1 million boarded passengers | 21.78 | 18.41 | (3.37) | 19.12 | 17.23 | ▼ |
| **SERVICE** | | | | | | |
| Service Hours (Conventional System) | 4,727,850 | 4,706,250 | 21,600 | 6,313,529 | 6,354,423 | ▼ |
| Service Hours (Access Transit) | 452,012 | 448,580 | 3,432 | 598,094 | 501,762 | ▲ |
| Service kilometres (Conventional System) | 112,747,317 | 111,583,882 | 1,163,435 | 150,288,161 | 150,153,137 | ▶ |
| **PASSENGERS** | | | | | | |
| Revenue passengers (Conventional System) | 172,405,406 | 160,755,344 | 11,650,062 | 225,436,773 | 208,332,076 | ▲ |
| Revenue Passengers (Access Transit) | 1,050,465 | 1,036,276 | 14,189 | 1,386,018 | 1,161,962 | ▲ |
| Boarded Passengers (Conventional System) | 260,334,362 | 262,760,269 | (2,425,907) | 347,718,229 | 342,195,152 | ▲ |
| Boarded Passengers, including Taxi passengers (Access Transit) | 1,147,698 | 1,140,748 | 6,950 | 1,516,822 | 1,276,548 | ▲ |

* Favourable/(Unfavourable) may include rounding differences.

** Total operating cost includes Subsidiary costs plus TransLink allocated costs.

*** Total operating revenue/total operating cost, excluding debt service.

**** Trend compares 4 quarters ending this year vs. last year.

▲ favourable, ▼ unfavourable, ▶ no change

*Third Quarter Highlights and Forecast*

### Customer Service

As part of the ongoing customer service performance tracking survey, transit customers are asked to rate how well the transit system, and each of the transit modes that they have used in the past 30 days, performed in terms of "overall service". The year-to-date average score for this indicator is 7.7 out of 10, a slight increase over the 7.6 result for the same period one year ago.

Complaints per 1 million boarded passengers for the conventional transit system is unfavourable to the third quarter targets year-to-date. The expanding number of available channels for customers to communicate has resulted in an increased number of complaints being logged. The top two categories of complaints continue to be "overcrowding and pass-ups" and "early and late bus arrivals".

Access Transit complaints per million boarded passengers are higher than the third quarter target year-to-date and are trending negatively. Several new policies have been introduced (Cancel at the Door/No Show, Fare Management) this year which has prompted an increase in customer complaints. HandyDART is increasing trip productivity which has a corresponding decrease in on-time performance and also contributes to additional customer complaints.

### Conventional System

The operating cost per passenger kilometer is $0.038 (11%) favourable to target year-to-date. The favourable variance reflects an increase in ridership, along with the continued positive impact of cost containment initiatives that continue to be implemented by TransLink and its subsidiaries. Operating cost per passenger kilometer (excluding energy) shows a favourable variance of $0.037 (12%).

The operating cost per total vehicle kilometer is $0.36 (6%) below budget. This is the result of lower fuel costs, lower overtime costs and continued cost containment initiatives. The slight negative trend is the result of increased costs, including wages increases and fuel prices, while service levels have been kept constant with no expansion.

The average fare per revenue passenger is lower than target by $0.08 (4%) and trending negatively. The measure has declined from the second quarter and continues to be a concern. Several initiatives to increase fare checking visibility and enforcement, promote education and awareness, and continued monitoring and change tracking have been implemented. Fare checking has increased by BCRTC, CMBC, SeaBus and Transit Police staff. The issue of counterfeit passes is also being addressed both through public communications and the arresting of individuals found responsible.

The operating cost recovery is 4.2% favourable to target. This indicator is showing a positive trend of 0.8%, which is the results of higher revenues and lower costs.

Passenger injuries per million boarded passengers for the first nine months of 2011 were 3.66, and are trending unfavourably.

### Access Transit

The operating cost per revenue passenger is $1.45 favourable to target. This is mainly due to a negotiated reduction in fixed costs and an increase in revenue passengers. The trend is also positive.

Operating cost per service hour is $2.87 favourable to target. This is mainly due to a negotiated reduction in contractor fixed costs and a slight increase in the number of service hours.

Reported passenger injuries in the third quarter were lower than the previous two quarters. Passenger injuries per million boarded passengers are 21.78 for the first nine months of 2011. Significant actions have been implemented by the service contractor to address passenger injuries and safety in general. These include refresher training on passenger securement and driver safety. The benefit of these initiatives is not yet being realized.

### Service

Delivered service hours for conventional transit for the first nine months of 2011 are 21,600 above target. This is partially due to the Service Optimization initiative to reallocated resources to more productive routes. These service optimization initiatives are ongoing and will impact each new service schedule throughout the year differently, as the increases and decrease are not equal and offsetting in each schedule. The December, 2010, April, 2011 and June, 2011 changes decreased conventional bus service by 5,900 hours and reduced community shuttle service by 4,600 hours. An increase of 32,100 hours year-to-date has been provided by additional SkyTrain service during the peak hours and the Stanley Cup playoff period.

Conventional service kilometers are showing an increase over the first nine months of 2011 for the same reason as explained for the service hour increase above.

Access Transit service hours are greater than target year-to-date by 3,400. This increase is the result of the HandyDART provider continuing to attract customers back to the service after the work stoppage in late 2009 and early 2010. The trend reflects the work stoppage impact on the prior period.

### Passengers

Actual revenue passengers are 11.7 million ahead of target and boarded passengers are down 2.4 million for the first nine months of 2011. The results reflect the correction made in the first quarter to the calculation of U-Pass customers, as well as increased ridership due to high fuel prices. Lower boarded passengers are due to a more current estimate of transfer rates for the Vancouver Transit Centre starting in January 2011. These rates are not reflected in the target numbers since those values were based on 2010 ridership estimates. The trend for both measures continues to be positive.

Revenue (1.4%) and boarded passengers (0.6%) for Access Transit are above target year-to-date for 2011, and are both trending upward.

## Bus Division

### Context/Overview

The third quarter for CMBC was generally business as usual with relatively minor Service Optimization service changes in September. Work continued on a number of key initiatives including the anti-idling program, PowerSmart improvements, Service Optimization service changes, the bus camera installations, and planning for the second SeaBus replacement and Hamilton Transit Centre. CMBC staff continued their involvement in support of enterprise initiatives like the Compass, Faregate construction at stations and resulting temporary bus service changes and front line communications, fare evasion measures, and ancillary revenue opportunities.

The Bus Division's results to the end of the third quarter are under budget by $12.6 million. Major items generating a favourable variance within CMBC Operations are lower overtime costs, material costs on revenue vehicles and fuel costs plus timing of maintenance program expenditures. Managing overtime and workforce productivity are a focus in both Service Delivery and Fleet Maintenance. Diesel fuel is favourable due to better utilization rates and lower prices on the secured futures contracts in place that buffered the cost impacts through the periods of higher market prices. CNG fuel and facility utilities' natural gas costs are lower than budgeted due to favourable natural gas contracts entered into in late 2010. Contracted Transit Service's Access Transit is favourable due to lower contractor fixed costs negotiated relative to existing service levels.

The forecast for the Bus Division to the end of the year is $11.3 million below budget. The forecast includes the year to date favourable variances for wages, salaries, vehicle repair materials and utilities, fuel and the results for other non-timing items. The forecast is slightly less than the year to date results due mainly to managing operator attrition rates and staffing levels, the timing of fleet and infrastructure maintenance activities, and expected diesel fuel market prices. Operator overtime is expected to be higher through the end of 2011 because of timing on the hiring and training of new operators for conventional bus and community shuttle needs. Vehicle materials usage overall is expected to be on budget for the rest of the year. The price of diesel through the end of the year for unsecured volumes is forecast to be higher than budgeted. Fuel costs for all of Contracted Transit services are forecast to be unfavourable for the remainder of the year. Access Transit's fixed contract costs will continue to be favourable to the end of the year. The majority of other operating expenses are forecast to be within budget for the remainder of the year.

**Financial Performance**

| Operating Expenditures ($000s) | YTD Actual | YTD Budget | Variance Fav/(Unfav) | Annual Forecast | Annual Budget | Variance Fav/(Unfav) |
|---|---|---|---|---|---|---|
| **CMBC** | | | | | | |
| Operations | $ 219,598 | $ 221,217 | $ 1,619 | $ 296,295 | $ 297,362 | $ 1,067 |
| Maintenance | 105,934 | 114,499 | 8,564 | 146,768 | 154,379 | 7,611 |
| Indirect/Administration | 19,272 | 19,067 | (205) | 24,850 | 24,731 | (119) |
| Subtotal | 344,805 | 354,783 | 9,978 | 467,913 | 476,472 | 8,558 |
| Fuel | 36,260 | 38,079 | 1,819 | 49,775 | 51,515 | 1,740 |
| Total | $ 381,065 | $ 392,862 | $ 11,797 | $ 517,688 | $ 527,987 | $ 10,298 |
| **Contract Community Shuttle** | | | | | | |
| Operations | $ 2,185 | $ 2,125 | $ (60) | $ 2,948 | $ 2,822 | $ (126) |
| Maintenance | 415 | 327 | (88) | 523 | 436 | (87) |
| Indirect/Administration | 491 | 524 | 33 | 645 | 699 | 54 |
| Subtotal | 3,092 | 2,976 | (116) | 4,116 | 3,957 | (159) |
| Fuel | 623 | 539 | (84) | 848 | 719 | (129) |
| Total | $ 3,715 | $ 3,515 | $ (200) | $ 4,965 | $ 4,676 | $ (288) |
| **West Vancouver** | | | | | | |
| Operations | $ 5,387 | $ 5,484 | $ 97 | $ 7,182 | $ 7,254 | $ 72 |
| Maintenance | 2,247 | 2,239 | (8) | 2,994 | 2,985 | (9) |
| Indirect/Administration | 1,144 | 1,152 | 8 | 1,533 | 1,536 | 3 |
| Subtotal | 8,777 | 8,875 | 97 | 11,708 | 11,774 | 66 |
| Fuel | 1,505 | 1,382 | (122) | 2,047 | 1,843 | (204) |
| Total | $ 10,282 | $ 10,257 | $ (25) | $ 13,755 | $ 13,618 | $ (138) |
| **Conventional Transit** | $ 395,062 | $ 406,634 | $ 11,572 | $ 536,408 | $ 546,281 | $ 9,872 |
| **Access Transit** | | | | | | |
| Operations | $ 18,413 | $ 18,378 | $ (35) | $ 24,366 | $ 24,579 | $ 213 |
| Maintenance | 1,708 | 1,865 | 157 | 2,346 | 2,492 | 146 |
| Indirect/Administration | 12,782 | 13,773 | 990 | 17,208 | 18,451 | 1,243 |
| Subtotal | 32,903 | 34,016 | 1,113 | 43,920 | 45,522 | 1,602 |
| Fuel | 2,061 | 1,970 | (91) | 2,784 | 2,626 | (157) |
| Total | $ 34,964 | $ 35,986 | $ 1,021 | $ 46,703 | $ 48,148 | $ 1,445 |
| **Total Bus Division** | | | | | | |
| Operations | $ 245,583 | $ 247,204 | $ 1,621 | $ 330,790 | $ 332,016 | $ 1,226 |
| Maintenance | 110,304 | 118,929 | 8,626 | 152,631 | 160,292 | 7,661 |
| Indirect/Administration | 33,690 | 34,516 | 826 | 44,236 | 45,416 | 1,180 |
| Subtotal | 389,577 | 400,649 | 11,072 | 527,657 | 537,725 | 10,067 |
| Fuel | 40,449 | 41,970 | 1,521 | 55,454 | 56,704 | 1,250 |
| Total | $ 430,026 | $ 442,620 | $ 12,593 | $ 583,111 | $ 594,429 | $ 11,317 |

### *Third Quarter Highlights and Forecast*

The following sections discuss actual and forecast financial results and highlights performance indicators with significant variances. Appendix 2 provides a listing of all indicators.

### Coast Mountain Bus Company

CMBC's results for the third quarter year-to-date are under budget $11.8 million and the forecast for the year is to be under budget by $10.3 million.

Operations costs are $1.6 million favourable year-to-date. Wages are slightly under budget with higher conventional bus operator costs offset by lower new operator training due to timing. Salaries are $983 thousand favourable due to short-term service position vacancies, fewer casual staff hours, and lower pay rates than planned. There are also favourable variances from lower insurance deductibles on revenue vehicles of $348 thousand. Additional favourable variances are due to delays and timing of expenditures. The year-end forecast is $1.1 million favourable with some of the expenditure delays moving to the fourth quarter.

Maintenance costs are under budget by $8.6 million year-to-date. Revenue vehicles maintenance materials accounts for $4.3 million of this variance, which includes fewer brake relines, transmission replacements, trolley and CNG bus parts used compared to plan as well as the timing of parts and materials usage. Wages are $3.2 million favourable due to lower overtime, vacancies and wage rate differences. Reduced utilities costs of $432 thousand are due to mild winter weather early in the year and lower than planned natural gas and BC Hydro electricity prices. Salaries were $201 thousand unfavourable due to banked time payouts partially offset by staff vacancy savings. The remainder of the favourable variances is a number of timing variances for goods and services and repair campaigns that were delayed until late in 2011. The year to date savings will be reduced as a result, with annual expenditures forecast and $7.6 million under budget.

Indirect/Administration costs are $205 thousand unfavourable. Unfavourable variances in salaries of $379 thousand are due to pre-retirement leave, severance, and banked time payouts in excess of vacancies. There are also unfavourable variances in wages of $253 thousand due to vacation payouts for employees on LTD and $175 thousand in administration due to a legal settlement. These are offset by favourable benefits costs of $434 thousand from lower than planned rates on WorkSafe BC and Canada Pension and a Provincial Sales Tax recovery of $178 thousand. The balance of the variance is due to a variety of smaller timing and spending differences.

Fuel had a favourable variance of $1.8 million with $569 thousand due to $0.02/litre lower average diesel fuel prices and $802 thousand favourable diesel usage variance (738,000 fewer litres consumed). There was also a favourable variance of $368 thousand on Compressed Natural Gas (CNG) due to lower natural gas prices.

The fuel forecast is $1.7 million favourable to budget comprised of $1.3 million for diesel due to lower average diesel fuel costs including locked-in volumes, fewer service kilometres and lower consumption and $460 thousand for CNG.

Complaints per million boarded passengers are unfavourable year-to-date. Additional tracking systems such as Twitter and the Web Mobile link to the Webform have increased the feedback submissions from our customers.

Preventable collision per million kilometres is tracking favourable with preliminary results for the third quarter.

The favourable mean distance between vehicle failures for the third quarter is being driven by new vehicles and effective preventative maintenance.

The total spills per million kilometres are unfavourable year-to-date. Coolant spills remain consistent at 60% of the total spills. CMBC has received notice of the maintenance bulletin from the vendor and is expecting to implement a resolution by March 2012.

Assaults per million service hours are unfavourable. There have been 13 more assaults than in the third quarter of 2010.

Lost time frequency is tracking low year-to-date due to the timing of processing claims and the trend is improving. The timing delay in finalizing WorkSafe BC claims can result in subsequent changes to this reported measure.

## Contracted Services

### Contract Community Shuttle

Contract Community Shuttle's variance is $200 thousand unfavourable as a result of higher vehicle maintenance expenses and higher diesel fuel costs. Year-end forecast is slightly more unfavourable due to additional labour costs with the replacement contractor for New Westminster service.

### West Vancouver

West Vancouver is forecast to be over budget $138 thousand for the year as a result of lower forecast hourly labour rates of $72 thousand offset by higher fuel costs of $204 thousand due to projected diesel fuel prices and higher usage through the end of the year.

### Access Transit

Access Transit has a favourable year-to-date variance of $1.0 million driven by lower negotiated contractor fixed costs. This will continue to impact the fourth quarter results which will increase the favourable variance to $1.4 million for year-end.

Complaints per million boarded passengers remain higher than target year to date and show an unfavourable trend. A significant component of this trend is the lower number of complaints recorded during the strike period (October 25, 2009 to early January 2010) when only medically necessary trips were performed. Additionally, the efforts to improve service productivity (more trips within the authorized service hours) have resulted in an increased number of "vehicle running late" customer complaints.

## 2011 Initiatives

### Customer

The Bus Division and TransLink Planning have worked together on the design and costs of new transit signage for wayfinding and are planning the implementation of "T" signage to replace vertical "Bus Stop" plates throughout the system under the normal rotational maintenance and replacement cycle over the next 3 years and will initially focus on high traffic/priority corridors and hubs.

CMBC Security continues increased foot patrols in loops and terminus to improve safety.

Faregate construction communications on the "OnTrack Projects" web page includes information on affected bus operations at the SkyTrain stations. Service Delivery bulletins for operators and front line staff have further specifics for the various stations.

**Financial**

Commercial ancillary revenue opportunities have been investigated and the first implementation took place in September with the deployment of vending machines in the North and South SeaBus terminals

**Internal Effectiveness**

2011 PowerSmart capital upgrades at Burnaby Transit Centre (BTC) currently in the design phase will consist primarily of new lighting and building automation systems. Continuous optimization equipment and monitoring will also be installed at BTC. As of Q3, VTC, STC and RTC are on the Continuous Optimization Program allowing real-time monitoring of utilities consumption and PTC will soon be added. For Q3, total projected savings of active, completed and proposed energy related projects is estimated at 3.3M kWh electricity, 11.7K GJ natural gas, and this equates to a future annual $330K reduction in utilities costs.

The Anti-Idling Campaign continues to be a success and quantification of the idling has assisted with getting staff on board, developing positive habits and gaining a better understanding of operator behaviour and seasonal fluctuations. Overall, Q3 shows a 36% reduction in idling compared to 2009 pre-campaign levels. The campaign has been successful in reducing fuel consumption and costs, engine wear and Greenhouse Gas emissions.

**People**

Implementation of the Phase 2 Bus Camera expansion on buses at Vancouver Transit Centre (VTC), Port Coquitlam (PTC), North Vancouver (NTC), and Richmond (RTC) are complete and Burnaby (BTC) is currently in progress. Surrey (STC) will be the final transit centre with installations on schedule to complete in November and final acceptance by January 2012.

## *Risks and Challenges*

Based on the Q3 year to date results and forecast the 2011 results will be under budget. Major risks to achieving the 2011 Q3 forecast are:

- World events and impacts on diesel fuel prices for the unsecured CMBC and contractor volumes.
- Adverse winter weather in excess of normal conditions later in the year.
- Conversion to the Public Sector Accounting standards and the financial impact for future employee benefit costs.

Ongoing operational challenges through to the end of 2011 include:

- The retirement and attrition of operators and the effective coordination of the hiring and training of replacements to avoid overtime costs or service disruptions.
- The management and communication of any direct bus service impacts from the numerous SkyTrain upgrade projects and the fare gate construction at stations and attached bus loops.

## Rail Division

### Context/Overview

During the nine months ended September 30, 2011, the Rail Division continued to contain costs and delivered operating costs below budget in each of its operations, provided increased service kilometres, and continued to maintain a high level of service with increased ridership. Other year-to-date 2011 successes included execution of CUPE collective bargaining terms ratified on April 4th, response to the demands during the Stanley Cup Playoffs, launch and update of the 'OnTrack' communication portal regarding significant system construction and related service impacts, completion of BC Hydro PowerSmart energy consumption review and preparation for the trains that began to come off warranty in the third quarter. SkyTrain celebrated its 25th anniversary on September 24th, with special recognition given to employees with 25 years of service.

During the nine months ended September 30, 2011, the Rail Division's operating costs of $154.4 million, compared to budget of $157.8 million, were favourable $3.4 million, or 2.1%. These results included $1.3 million of retroactive wage increases and Canada Line labour billing adjustments. Excluding this, results would have been under budget by 3.0%. Also contributing was an adjusted base cost for propulsion costs, diesel fuel costs less than budget, favourable timing differences in maintenance activities, Bombardier warranty claim recoveries, under-utilization of Canada Line performance payment contingency and the transfer of assets and related future amortization to TransLink effective July 1, 2011.

The Rail Division's forecasted operating costs for fiscal 2011 of $211.9 million, compared to budget of $214.9 million, resulted in $3.0 million, or 1.4 %, below budget. The reduction was a result of the reversal of favourable timing differences in maintenance activities for both the Expo and Millennium Lines and West Coast Express.

## Financial Performance

| Operating Expenditures ($000s) | YTD Actual | YTD Budget | Variance Fav/(Unfav) | Annual Forecast | Annual Budget | Variance Fav/(Unfav) |
|---|---|---|---|---|---|---|
| **SkyTrain - Expo & Millennium Lines** | | | | | | |
| Operations Costs | $ 18,465 | $ 17,947 | $ (518) | $ 24,510 | $ 23,886 | $ (624) |
| Maintenance Costs | 33,582 | 34,084 | 502 | 46,812 | 46,997 | 185 |
| Indirect/Administration | 5,094 | 5,071 | (23) | 7,288 | 7,187 | (101) |
| | 57,141 | 57,102 | (39) | 78,610 | 78,070 | (540) |
| Fuel/Hydro Propulsion | 8,037 | 8,927 | 890 | 11,080 | 12,165 | 1,085 |
| Amortization | 505 | 695 | 190 | 643 | 1,031 | 388 |
| Post Employee Benefits | 3,212 | 3,212 | - | 4,283 | 4,283 | - |
| Total | $ 68,895 | $ 69,936 | $ 1,041 | $ 94,616 | $ 95,549 | $ 933 |
| **SkyTrain - Canada Line** | | | | | | |
| Operations Costs | $ 71,366 | $ 72,588 | $ 1,222 | $ 97,880 | $ 99,102 | $ 1,222 |
| Maintenance Costs | 325 | 364 | 39 | 489 | 542 | 53 |
| Indirect/Administration | 494 | 732 | 238 | 639 | 911 | 272 |
| | 72,185 | 73,684 | 1,499 | 99,008 | 100,555 | 1,547 |
| Fuel/Hydro Propulsion | - | - | - | - | - | - |
| Amortization | - | - | - | - | - | - |
| Total | $ 72,185 | $ 73,684 | $ 1,499 | $ 99,008 | $ 100,555 | $ 1,547 |
| **Automated Light Rapid Transit** | **$ 141,080** | **$ 143,620** | **$ 2,540** | **$ 193,624** | **$ 196,104** | **$ 2,480** |
| **West Coast Express** | | | | | | |
| Operations | $ 7,788 | $ 8,045 | $ 257 | $ 10,471 | $ 10,718 | $ 247 |
| Maintenance | 3,129 | 3,394 | 265 | 4,348 | 4,342 | (6) |
| Indirect/Administration | 1,413 | 1,619 | 206 | 2,065 | 2,194 | 129 |
| | 12,330 | 13,058 | 728 | 16,884 | 17,254 | 370 |
| Fuel | 989 | 1,104 | 115 | 1,403 | 1,472 | 69 |
| Amortization | 17 | - | (17) | 17 | 49 | 32 |
| Total | $ 13,336 | $ 14,162 | $ 826 | $ 18,304 | $ 18,775 | $ 471 |
| **Total Rail Division** | | | | | | |
| Operations Costs | $ 97,619 | $ 98,580 | $ 961 | $ 132,861 | $ 133,706 | $ 845 |
| Maintenance Costs | 37,036 | 37,842 | 806 | 51,649 | 51,881 | 232 |
| Indirect/Administration | 7,001 | 7,422 | 421 | 9,992 | 10,292 | 300 |
| | 141,656 | 143,844 | 2,188 | 194,502 | 195,879 | 1,377 |
| Fuel/Hydro Propulsion | 9,026 | 10,031 | 1,005 | 12,483 | 13,637 | 1,154 |
| Amortization | 522 | 695 | 173 | 660 | 1,080 | 420 |
| Post Employee Benefits | 3,212 | 3,212 | - | 4,283 | 4,283 | - |
| **Total** | **$ 154,416** | **$ 157,782** | **$ 3,366** | **$ 211,928** | **$ 214,879** | **$ 2,951** |

### *Third Quarter Highlights and Forecast*

The following sections discuss actual and forecast financial results, and highlights performance indicators with significant variances. Appendix 2 provides a listing of all indicators.

### Expo/Millennium Line

At the end of the third quarter of 2011, total operating costs for SkyTrain's Expo and Millennium were $68.9 million, compared to budget of $69.9 million, or $1.0 million below budget. A majority of the favourable variance can be attributed to hydro costs that are $0.9 million below budget. Operations, maintenance and indirect/administration costs for the nine months ended September 30, 2011 of $57.1 million were in line with budget. Actual and forecasted results for 2011 included retroactive and ongoing unbudgeted wage increases as a result of the ratified terms of the union settlement concluded in April 2011. In addition to the ratified increases, operations costs were over budget due to additional customer service support during maintenance activities and the Stanley Cup Playoffs. Maintenance costs were impacted by costs associated with elevator and escalators inspections and repairs offset by Bombardier warranty recoveries and favourable timing differences for vehicle maintenance repairs and cleaning. For 2011, annual forecasted operating costs were $94.6 million, compared to budget of $95.5 million, or $0.9 million below budget due to the reversal of the favourable timing differences in maintenance activities by year-end offset by the transfer of amortization of capital assets to TransLink.

For the nine months ended September 30, 2011, operating cost per total vehicle kilometre of $2.04 was lower than target of $2.15 due to warranty recoveries and lower than anticipated hydro costs, partially offset by the increases from the union settlement. This measure also reflects the impact of increased peak, week-end, and Stanley Cup Playoff service.

Customer satisfaction measured with the mystery shopper program of 94.1% exceeded target by 4.1% and the result for the last four quarters by 0.5%. This was the highest result since the inception of the mystery shopper program. The most improved areas were related to staff courtesy and station cleanliness.

During the first nine months of 2011, major passenger injuries per one million boarded passengers of 1.41 were higher than target of 1.10 and higher than the averages for the prior four quarters. A majority of the injuries occurred during the first quarter of 2011 and have since decreased due to the impact of various initiatives underway to help minimize slips and falls that continue to be a major source of injury to passengers.

Mean distance between failures (MDBF) of 389,377 significantly exceeded target of 250,000. In addition, the result for the third quarter of 2011 was the highest this result has been since the first quarter of 2007.

One derailment occurred in the first nine months of 2011 causing the 0.03 result. The derailment happened in the yard where the trains are run manually. Damage was minor and results of the investigation into the incident are being assessed.

Lost time frequency for the first nine months of 2011 of 3.46 was higher than target of 2.12 and the prior four quarters of 3.18, but improved from the first quarter result of 4.75. SkyTrain and the Rail Division remain committed to providing a work environment that minimizes work related injuries resulting in lost time, and this work was recognized with a National Authority for Occupational Safety and Health (NAOSH) reward received during the third quarter.

### Canada Line

Canada Line's operating costs for the first nine months of 2011 of $72.2 million were $1.5 million below budget. The favourable variance was the result of the unused contingency related to the operating and maintenance payments to the Concessionaire, and postponement of the ridership rebasing study to 2012. Annual forecasted 2011 operating costs of $99.0 million were $1.5 million below budget assuming full utilization of the forecasted performance payment contingency.

Operating cost per revenue vehicle kilometre for the first three quarters of 2011 of $15.74 was below target of $16.71 due to net expenditure savings and 7.6% increase in vehicle kilometers during the third quarter compared to the average of the four prior quarters. However, the 2011 result was higher than the average prior year four quarters of $13.51 due to the cap on the contractual payment that was increased from 80% of the base at inception, to 92% in October 2010, and to 100% in September 2011. Concession payments are now subject to availability and quality deductions within the terms of the Concession agreement.

Complaints per one million boarded passengers of 15.05 for the first nine months of 2011 decreased from the average for prior four quarters of 15.87. This result was corroboration of the ongoing commitment to improve customer service.

The year-to-date contract adherence monitoring result of 96.0% was below target of 98.5%, but was the highest this measure has been since the first quarter of 2010. The most improved areas were attendants/field supervisors and customer service phone.

### West Coast Express

For the nine months ended September 30, 2011, West Coast Express total operating costs were $0.8 million below budget, due to the elimination of weekend and adjusted weekday TrainBus services effective June 20, 2011, and savings in administrative and maintenance costs as well as lower than expected diesel fuel costs. Processing of timing differences results in an annual forecast of $0.5 million below budget.

Operating costs per total vehicle kilometer of $11.72 and operating costs per passenger kilometer including and excluding energy of $0.18 and $0.17, respectively were favourable compared to targets due to cost savings and timing differences in operations and maintenance programs. In addition, increased ridership and the resulting 6.2% increase in passenger kilometers improved the per passenger kilometer ratios.

Year-to-date customer satisfaction of 91.3% was 4.8% above target and 1.6% higher than second quarter mystery shopper results. Customer satisfaction was the highest it has been in five years due to continued customer focus and the new train cars added into service in September 2010 to address overcrowding. Complaints per million customers of 175.17 exceeded target due to the introduction of more thorough system for categorizing and tracking customer concerns and complaints. The majority of complaints remain due to cancellations, train schedule changes, and requests for additional train runs.

There were three terminus delays during the first nine months of 2011 that resulted in MDBF of 348,992, which was favourably ahead of our target of 152,000. Two of the delays resulted from separate equipment failures.

## 2011 Initiatives

### Customer

All staff completed the Canadian Urban Transit Association (CUTA) Customer Service training.

A temporary customer service manager position has been established to complete a needs assessment and develop a customer service program. A staffing strategy was developed to help ensure customer needs during faregate construction are properly addressed and 20 construction guides are operational.

Ongoing enhancements and improvements are being made to the 'OnTrack' communications strategy/portal that was implemented in the second quarter to minimize customer impacts during significant system construction and service changes.

To address customer concerns around safety, online customer safety training materials are drafted, and the computer based training and pilot program are being developed. Also, BCRTC, partnered with BC Safety Authority (BCSA), completed delivery of passenger safety messaging on the station platforms.

### Financial

The energy consumption review and audit sponsored by the BC Hydro Power Smart program is complete for the OMC Building, each of the SkyTrain passenger stations and WCE Coquitlam station. The report to SkyTrain identified six initiatives, one of which was an Energy Management Policy that has been issued.

### Internal Effectiveness

BCRTC is the prime contractor for faregates and other capital projects where contractors are working inside TransLink/BCRTC properties. The operational framework for the prime contracting team was implemented during the third quarter.

An agreement was reached between TransLink and Concessionaire to initiate faregate construction at Canada Line stations.

The installation of the CCTV video recording equipment on the new MKII trains is partially complete and is expected to be in service by the end of 2011.

The transition of BCRTC's Human Resource Information Systems (HRIS) to PeopleSoft is ahead of schedule.

An integrated data management system for safety, security and environment needs is under development and expected to be complete in the first quarter of 2012.

### People

A Learning Management System with supervisory report enhancements is being developed and usability and report enhancements are ongoing. A pilot for the roll out of the system to the Enterprise has commenced.

Online training for field operations staff at the reporting locations has resulted in increased accessibility and reduced overtime.

***Risks and Challenges***

Additional costs related to unanticipated service impacts or additional staff support required during faregate construction, including potential high costs associated with the change order and schedule for construction of Canada Line's faregates.

Maintenance costs for both staff and parts could be higher than anticipated as the new MKII vehicles and seven new WCE bi-level trains come off warranty. To help mitigate part related costs, desirable spare parts unused by Bombardier in the manufacture of these trains will be purchased at substantially reduced prices.

Faregate construction impacts at stations for customers and safety are probable. All contractors have presented Passenger Mitigation Plans (PMP) for each station and station area where customers may be impacted. Monitors and safety analysts are operational to watch over the multiple work sites and construction guides are in place to assist people through these areas.

BCRTC continues to use existing staff to oversee and manage external developers building adjacent to SkyTrain routes to ensure successful integration and the safety of passengers. Available resources for regular work are reduced as operational, engineering or maintenance employees are called upon to provide additional customer support, monitor contractors or provide technical support.

Maintenance repair costs will increase due to system failures if an equipment upgrade or retrofit (capital) project is postponed or deferred. Proactive maintenance strategies are used when appropriate to minimize service disruptions, however, the added costs will involve spare parts and overtime from unscheduled call-outs.

Unexpected operating issues due to the automatic train control (ATC) upgrade that is expected to be operational in the latter part of 2013. Training for the new system will commence in the fourth quarter.

## Property Tax, Rentals, Fare Media and Insurance

**Financial Performance**

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Insurance | $ 4,945 | $ 5,239 | $ 294 | $ 6,604 | $ 7,040 | $ 436 |
| Fare Media | 2,095 | 2,166 | 71 | 2,817 | 2,888 | 71 |
| Property Taxes | 6,021 | 9,185 | 3,164 | 7,977 | 12,247 | 4,270 |
| Property Rentals | 13,306 | 14,206 | 900 | 18,054 | 19,071 | 1,017 |
| Others | 1 | - | (1) | 1 | - | (1) |
| Total | $ 26,368 | $ 30,796 | $ 4,428 | $ 35,453 | $ 41,246 | $ 5,793 |

### *Third Quarter Highlights and Forecast*

These costs are administered and managed by TransLink. Property taxes are showing a $3.2 million favourable variance year-to-date and an annual forecast favourable variance of $4.3 million. This is the result of exemption received for Canada Line properties and an adjustment made based on the final property tax billings paid in July. Property rental costs for CMBC are forecast to be below budget by $1 million. This is the result of storage costs budgeted for Community Shuttle & HandyDART which were not required as the Oakridge facility was used for storage. Insurance costs continue to track favourably with a favourable variance expected of $436 thousand.

### *Risks and Challenges*

Insurance rates are likely to increase due to global events. TransLink will work to negotiate the lowest possible rates.

## TRANSIT POLICE

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Admin | $ 2,191 | $ 2,687 | $ 496 | $ 3,511 | $ 3,493 | $ (18) |
| Operations | 952 | 932 | (20) | 1,551 | 1,287 | (264) |
| Salaries | 16,508 | 17,291 | 783 | 23,825 | 24,025 | 200 |
| Recoveries | (82) | (95) | (13) | (157) | (127) | 30 |
| Total | $ 19,569 | $ 20,815 | $ 1,246 | $ 28,730 | $ 28,678 | $ (52) |

### *Third Quarter Highlights and Forecast*

Operations are expected to exceed budget and salaries will have a favourable variance due to the backfilling of the vacant Chief Officer and Deputy Chief Officer positions with secondments from Vancouver Police Department (VPD). In addition, the favourable salaries variance includes other staff vacancies and staff being on long-term disability.

Recoveries will have a favourable variance due to additional Lower Mainland Tactical Troop recoveries and the unplanned extension of a constable secondment to Integrated Gang Task Force (IGTF).

### *Risks and Challenges*

There is some risk of costs being over budget as there may be a need to call in more officers to work overtime due to attrition and an increase in the number of officers that are on Long-Term illness or WCB. This would be offset by salary savings from the vacancies.

## TRANSLINK

### Financial Performance

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Board, Mayors' Council, Commissioner | $ 955 | $ 1,181 | $ 226 | $ 1,421 | $ 1,608 | $ 187 |
| Divisons | | | | | | |
| CEO | 599 | 665 | 66 | 872 | 939 | 67 |
| COO | 16,272 | 20,150 | 3,878 | 25,901 | 27,493 | 1,592 |
| Customer & Public Engagement | 5,205 | 6,201 | 996 | 8,211 | 8,341 | 130 |
| CFO - Finance, Corporate Services & Real Estate | 6,687 | 7,206 | 519 | 9,708 | 9,871 | 163 |
| Planning and Policy | 4,825 | 7,096 | 2,271 | 8,610 | 9,672 | 1,062 |
| Human Resources | 1,693 | 1,953 | 260 | 2,563 | 2,755 | 192 |
| Total Divisions | 35,281 | 43,271 | 7,990 | 55,865 | 59,071 | 3,206 |
| General | 4,123 | 4,361 | 238 | 6,486 | 6,198 | (288) |
| Total Divisions & General | 39,404 | 47,632 | 8,228 | 62,351 | 65,269 | 2,918 |
| Other | 1,176 | 6,684 | 5,508 | 5,429 | 10,431 | 5,002 |
| Total TransLink Corporate | $ 41,535 | $ 55,497 | $ 13,962 | $ 69,201 | $ 77,308 | $ 8,107 |

### *Third Quarter Highlights and Forecast*

**TransLink Corporate**

Expenditures for the first nine months of 2011 for TransLink Corporate are under budget by $14.0 million. The forecast to the end of the year is $8.1 million. The $5.8 million change is primarily due to timing differences in spending on planning initiatives (i.e. Transport 2045, rapid transit studies, trip diary and regional screenline surveys) as well as hiring that will occur during the last quarter of the year.

**Board, Mayors' Council, Commissioner**

The annual forecast variance of $187 thousand is due to lower consulting, lower board remuneration and expenses and lower training costs.

**Corporate Divisions and General**

TransLink Corporate Divisions and General are under budget by $8.2 million year-to-date. Timing differences in marketing and research, computer systems licensing fees and consulting services for Planning and IT Divisions account for the majority of the year to date favourable variance with the balance due to lower salary expense for vacant positions not yet filled.

The annual forecast is expected to be $2.9 million under budget. The majority of the savings are related to hiring delays and not filling vacant positions, lower than budgeted computer systems related costs and lower consulting services costs.

**Other** (including studies, one-time projects, Capitalization of direct salary costs on Capital Projects)

This category has a $5.5 million favourable variance year-to-date, due to reduction in feasibility studies, Transport 2045 plan development and SmartCard non-capitalized initiatives.

The annual forecast is indicating a favourable variance of $5 million with reduced expenditures being expected on feasibility studies, Transport 2045 plan development, SmartCard non-capitalized initiatives and rapid transit studies. The majority of the annual spend is occurring in the fourth quarter.

## 2011 Initiatives

### Customer

Since the program launched in February, 2011, TravelSmart registrations have grown to 8,900 members. The TravelSmart Schools program has been delivered to eleven elementary schools, five secondary schools and to 80 senior advocates for the TravelSmart seniors program.

TransLink continues to grow its presence in social media. Twitter followers now total over 14,000, "Likes" on Facebook has risen to 2,300 and TransLink's foursquare account has increased to 31,500 friends. Continued focus is on growing the Facebook presence to provide opportunities to engage with customers moving forward.

The work plan for the Customer Policy and Strategy Development is being finalized and internal working group meetings have been scheduled to develop the draft documents for submission to the Board in December 2011.

Real-time transit information (RTTI) pilot (Phase I) was successfully launched on September 6, 2011. Phase II will start March, 2011 with predictive real-time data as well as product enhancements.

The U-Pass BC Program has successfully commenced at 10 of the 11 eligible publicly funded post-secondary institutions (PSI's). Over 143,000 U-Passes BC were delivered for September compared to 83,000 for the same time last year.

### Financial

The District of Mission and TransLink finalized a new five-year cost share agreement for West Coast Express service. The agreement will result in additional revenues to TransLink.

The TransLink Golden Ears Bridge Task Force has identified key priorities and is launching immediate action items with the joint objectives of increasing revenue and enhancing customer convenience. The action items that are proceeding include:

- a public awareness and education program to launch in January, 2012.
- enable real-time web-monitoring of traffic conditions on the bridge.
- detailed market research to delve into customer decision-making and preferences, to identify additional motivations that influence route choice in the bridge catchment area will be completed by Spring, 2012.
- in Q4, 2011 TransLink will be developing a strategy to encourage currently unregistered regular users to become registered users to increase customer convenience, lower operating costs and gain customer loyalty.
- Refresh website to make it more user friendly.

Coordination efforts are also underway with the Province to ensure that the Golden Ears Bridge will be interoperable with the new tolled Port Mann Bridge.

The Revenue Management Committee has been working to implement unified initiatives across the enterprise to reduce revenue leakage. Activities include:

- increased and targeted fare checks
- social media communication, including scrutiny on sale of fare products on the internet
- increased public awareness

**Stakeholders**

The development of a Sustainable Funding Strategy began in February and has progressed into strategic discussions. The agreement on a framework was reached on July 6th between the Minister of Transportation and Infrastructure and the Mayors' Council (by resolution), which acted as the catalyst for introducing the updated "Moving Forward Supplemental Plan". The Mayors' Council approved the Supplemental Plan on October 7. A work plan for implementing the direction contained in the July 6th agreement has been developed through the process defined in the Liveable Cities Agreement between the Mayors' Council and the Province. TransLink Planning will facilitate the next round of research that will support policy discussions through the fall and into 2012.

An update on Transport 2045 includes the development of a project charter, the project team, the technical work program, and a communication and engagement strategy. A Municipal Advisory Committee has been formed and communications have gone to Metro Vancouver and municipalities to engage stakeholders. In addition, several research streams have been initiated that include a comprehensive data collection effort, rigorous and quantitative model development and analysis to support the evidence-based underpinnings of T2045; examples are a regression-based multi-modal ridership demand model, update of the Regional Model, and a VKT model.

Two public meetings took place on September 12 and 14, in Langley to provide the public with an opportunity to review plans for an overpass at 64 Avenue at Highway 10. Many attendees left with a favourable impression of the project being proposed.

Phase 2 of the North Shore Area Transit Plan has been completed.

Bus service changes identified through the Service Optimization Initiative (SOI) were implemented in September. Fewer service changes are anticipated for December to allow flexibility to respond to demand changes associated with expanding the U-Pass BC program and to allow for implementation of key expansion services in early 2012 with the approval of the Supplemental Plan.

Staff has completed a final draft of the Transit Passenger Facilities Guidelines intended to reflect TransLink's customer service, sustainability and community engagement commitments in new and renovated facilities. Planning for upgrades continues at Metrotown, Brighouse, Lonsdale Quay, Surrey Central, Newton and other stations and exchanges.

TransLink achieved Gold Level in the American Public Transportation Association Sustainability Commitment. This is the highest level achieved by any signatory, of which there are 77, including agencies operating in San Francisco, New York City, Los Angeles, Portland and Seattle.

**Internal Effectiveness**

Compass Card and Faregate project is currently on schedule and within budget. The Final Design Review has been held with the supplier with no major issues arising. Current significant activities include the review of the Final Design Review documents, drafting of system business rules, and the commencement of station construction. As construction starts at each SkyTrain station, site teams are in attendance during the rush hour periods providing information to customers. Feedback has been positive.

TransLink is proceeding with the Pattullo Bridge Replacement Project. Public Consultation will take place starting in late November, 2011. The primary output from this phase will be a Project Definition Report that will serve as a basis for the Base Concept Design.

The selection process has been completed for the new budget and planning software system. Longview Solutions was the successful bidder. Training and implementation of the new system will be complete by quarter two of 2012.

Capital funding was approved for Phase 2 (implementation) of an electronic workflow solution for the organization. Product selection has been completed with the development and implementation of the first workflow solution expected in early 2012.

**People**

Human Resources continues to work with each of the Divisional groups across the Enterprise in providing results of the engagement survey specific to each division and working to understand the issues. Short and long term goals will be identified enterprise-wide and divisionally. We are on track to conduct pulse checks one-year post survey (November, 2011).

Phase 2 of the TransLink Enterprise succession plan is well underway, with successors identified for the Vice President roles. A talent review session was recently held to review potential successors. Strengths and gaps have been identified and further meetings will be held over the next few months.

The transition to an enterprise-wide common HRIS platform (PeopleSoft) project is tracking ahead of schedule.

The enterprise-wide exempt market review has been completed.

***Risks and Challenges***

**IT Security Audit** –Work continues to actively address IT security risk items, and maintain our IT security posture.

**Payment Card Industry (PCI) Compliance for Credit Card Payments** - Compliance audit activity was completed. Plans and activity are underway to address recommended areas for improvement identified.

Hiring delays impacted the initiation of several items in the work program.

Securing appropriately skilled resources to meet the project work load is a risk and challenge.

## 5. DEBT SERVICE COST

**Financial Performance**

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| GAAP | | | | | | |
| Interest Expense | $ 128,500 | $ 129,212 | $ 712 | $ 171,393 | $ 172,040 | $ 647 |
| Depreciation Expense | 118,507 | 122,110 | 3,603 | 162,194 | 166,977 | 4,783 |
| Total GAAP Debt Service | $ 247,007 | $ 251,322 | $ 4,315 | $ 333,587 | $ 339,017 | $ 5,430 |
| Funding Adjustments* | | | | | | |
| Interest Expense | (49,348) | (49,217) | 131 | (65,962) | (65,831) | 131 |
| Depreciation Expense | (109,132) | (114,302) | (5,170) | (149,919) | (154,352) | (4,433) |
| Debt Repayment | 71,000 | 72,170 | 1,170 | 95,271 | 97,835 | 2,564 |
| Total Funding Adjustments | $ (87,480) | $ (91,349) | $ (3,869) | $ (120,610) | $ (122,348) | $ (1,738) |
| Funded Debt Service Costs | $ 159,527 | $ 159,973 | $ 446 | $ 212,977 | $ 216,669 | $ 3,692 |
| GEB Capital Payments** | 34,035 | 33,091 | (944) | 47,489 | 46,452 | (1,037) |

*Funding adjustments include costs related to government funded capital assets

** Monthly scheduled installment payments to GCGP for repayment of the capital cost incurred by the GCGP

### *Third Quarter Highlights and Forecast*

Interest savings are partly due to the refinancing of $235 million of MFA debt at a lower actual rate than budgeted. Partly offsetting this favourable variance was the second TransLink bond issue at 4.70% vs. a budgeted rate of 4.50% which added $0.3 million in costs. Interest during construction (IDC) is running below budget due to lower than budgeted capital spending, but higher cash and investment balances has meant lower than budgeted short-term interest costs.

Depreciation expense remains favourable to budget because of delayed capital spending and capitalizations. This favourable variance has been reduced from Q2 due to additional amortization for current and prior year due to delay in the capitalization of some Custom Vehicles.

Debt repayments are favourable to budget due to being able to finance our 2011 debt requirements over a 30 year period. A shorter period was assumed in the budget.

Budgeted GEB capital payments which are indexed to Canadian CPI assumed inflation would stay at around 2%. Actual annual CPI has run higher than 2% since January 2011.

The forecast for the remainder of the year assumes that inflation will stay at around 3%.

***Risks and Challenges***

Interest expense is most sensitive to the timing of capital project cash flows. These remain hard to predict. With the implementation of a new Treasury Management System this will help mitigate this risk.

The GEB payments are subject to inflation, which if higher than anticipated will be difficult to pass on to the bridge users through higher tolls.

Interest risk on MFA refinancing is partly mitigated by the sinking funds.

## 6. AIRCARE

This is a restricted fund used to capture the revenues and expenses of the AirCare vehicle emissions testing program. Under legislation, the program must recover all of its costs over a five-year period, including annualized equipment costs.

**Financial Performance**

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| Revenue | $ 14,349 | $ 14,443 | $ (94) | $ 18,311 | $ 18,405 | $ (94) |
| Expenditures | | | | | | |
| Variable | $ 12,958 | $ 12,953 | $ (5) | $ 17,276 | $ 17,271 | $ (5) |
| Semi-Variable/Fixed | 1,142 | 1,504 | 362 | 1,646 | 2,012 | 366 |
| Depreciation | 278 | 339 | 61 | 389 | 452 | 63 |
| Total Expenditures | $ 14,378 | $ 14,796 | $ 418 | $ 19,311 | $ 19,735 | $ 424 |
| Surplus / (Deficit) | $ (29) | $ (353) | $ 324 | $ (1,000) | $ (1,330) | $ 330 |

**Key Performance Indicators**

| | Q3 YTD Actual | Q3 YTD Target | Fav./ (Unfav.) | 4 QTRS. To 30-Jun-11 | 4 QTRS. To 30-Jun-10 | Trend |
|---|---|---|---|---|---|---|
| Complaints per 10,000 vehicles tested | 6.86 | n/a | - | 7.00 | 5.49 | ▼ |

▲ favourable, ▼ unfavourable, ▶ no change

### *Third Quarter Highlights and Forecast*

In the third quarter of 2011, revenue is $0.1 million below budget, with more or less breakeven on the number of tests (different mix of inspections). Total expenditures are $0.4 million below budget. The majority of this favourable variance is the result of saving on compensation costs, professional fees and depreciation costs.

### *Risks and Challenges*

Revenue is expected to maintain at the budgeted level for the remaining year. The expenditures will have a small favourable variance. Majority of the expenditure is the contractor costs which is set for this 5-year term. Total Compensation will be lower than the budget with one employee seconded (half of the year) to GVRD.

## 7. CAPITAL

**SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY**
**Capital Program Summary**
**Sept 30,2011**
**(all $ in thousands)**

### A. ACTIVE PROJECTS - ALL DIVISIONS[1]

| Projects by Classification | Number of Projects | Current Budget | Opening Bal. Jan 1/11 | 2011 YTD Actual Costs | Actual Costs to Date | Forecasted Costs to 2014 | Final Project Forecast Total[2] | Variance to Project Total | External Funding |
|---|---|---|---|---|---|---|---|---|---|
| Equipment | 13 | 88,537 | 62,304 | 7,610 | 69,914 | 15,852 | 85,766 | 2,771 | - |
| Facilities | 19 | 119,544 | 70,631 | 6,742 | 77,373 | 38,660 | 116,033 | 3,511 | 87,452 |
| Infrastructure | 42 | 421,004 | 95,570 | 28,639 | 124,209 | 282,870 | 407,079 | 13,925 | 159,990 |
| Major Construction Projects | 2 | 189,039 | 165,305 | 11,033 | 176,338 | 12,701 | 189,039 | - | - |
| Minor Capital Account | 4 | 1,877 | 1,349 | 142 | 1,491 | 56 | 1,547 | 330 | 730 |
| Technology Applications | 31 | 38,306 | 7,569 | 1,620 | 9,189 | 28,281 | 37,470 | 836 | 2,727 |
| Vehicles Conventional Revenue | 16 | 810,642 | 724,930 | 3,426 | 728,356 | 73,827 | 802,183 | 8,459 | 325,725 |
| Vehicles Other Revenue or Non Revenue | 7 | 28,952 | 7,014 | 533 | 7,547 | 20,321 | 27,868 | 1,084 | 24,214 |
| **Total Active Projects** | **134** | **1,697,901** | **1,134,672** | **59,745** | **1,194,417** | **472,568** | **1,666,985** | **30,916** | **600,838** |

[1] *Inclusive of subsidiary capital*

[2] *Breakdown per period:*

### B. RECONCILIATION OF ACTIVE PROJECTS

| | |
|---|---|
| Gross costs to date, Jan 1, 2011: | 1,562,519 |
| Projects removed* | (22,076) |
| **Net costs to date, Jan 1, 2011** | **1,540,443** |
| Closed projects during 2011 | (405,771) |
| 2011 YTD Actual Costs | 59,745 |
| **Actual Costs to Date, Sept 30,2011** | **1,194,417** |
| Forecasted costs to 2014: | 472,568 |
| **Final Project Forecast Total, Sept 30,2011** | **1,666,985** |

** Contribution type projects are removed from capital reporting*

### C. APPROVAL IN PRINCIPLE PROJECTS - ALL DIVISIONS[1]

| Projects by Classification | Number of Projects | Current Budget | External Funding |
|---|---|---|---|
| Equipment | 3 | 2,600 | - |
| Facilities | - | - | - |
| Infrastructure | 6 | 11,110 | 2,569 |
| Major Construction Projects | - | - | - |
| Technology Applications | 13 | 5,340 | - |
| Vehicles Conventional Revenue | 1 | 55,410 | 41,906 |
| Vehicles Non Revenue | 1 | 225 | - |
| **Total remaining approval in principle projects** | **24** | **74,685** | **44,475** |

[1] *Inclusive of subsidiary capital*

### D. RECONCILIATION OF CURRENT BUDGETS FOR THE CAPITAL PROGRAM

| | Number of Projects | Current Budget |
|---|---|---|
| ACTIVE PROJECTS | | |
| Opening Balance, January 1, 2011 | 111 | 2,048,849 |
| Additions (Specific Project Approval - Initiated) | 51 | 98,542 |
| Other (i.e. non AIP projects, cancellations) | (5) | (38,899) |
| Closed | (23) | (410,591) |
| **Total Active Projects, Sep 30,2011** | **134** | **1,697,901** |
| APPROVAL IN PRINCIPLE PROJECTS | 24 | 74,685 |
| **Total Capital Program, Sep 30, 2011** | **158** | **1,772,586** |

## ACTIVE PROJECTS

### *Third Quarter Highlights and Forecast*

The major components of the forecasted $30.9 million favourable variance are:

### Equipment: Variance of $2.8 million

- West Coast Express Ticket Vending Machines Replacement (project 0443) is expected to be under budget by $0.8 million as a result of savings in the contract award.
- CCTV Camera on Buses is expected to be under budget by $1.4 million primarily due to savings in contract award and pricing.

### Facilities: Variance of $3.5 million

- Burnaby Transit Centre North Renovations is expected to be under budget by $3.0 million as the project scope has been scaled back.

### Infrastructure: Variance of $12.9 million

- The Knight Street Bridge Seismic Upgrade is expected to be under budget by $1.5 million due to savings from competitive tender prices secured on construction work.
- The Canada Line Bus Loops is expected to be under budget by $4.9 million primarily due to the cancellation of the Brighouse bus loop ($2.0 million) and unused contingencies ($2.5 million).
- The first phase of the Broadway SkyTrain Station Upgrade is expected to be under budget by $4.4 million primarily due to contract award and supervision cost savings ($1.7 million) and unused contingencies ($2.2 million).
- The Halon Fire Suppression System Replacement is expected to be under budget by $0.7 million primarily due to favourable tender pricing in the design consultant and the supply and install contracts.

### Technological Applications: Variance of $0.8 million

- The SkyTrain Fibre Optic System Upgrade is expected to be under budget by $0.7 million from competitive tender pricing.

### Vehicles – Conventional Revenue: Variance of $8.5 million

- SkyTrain Mark II Vehicle Expansion (48 vehicles) is expected to be under budget by $3.0 million, mainly due to vehicle testing cost savings ($1.4 million) and costs savings in vehicle procurement and project management ($1.5 million).
- Other fleet projects, including bus fleet expansion and the Bus Technology Demonstration project are forecast to be $4.5 million under budget due to lower material costs and contract pricing ($3.2 million), higher demonstration project recoveries ($0.8 million), unused contingencies ($.2 million).

## APPROVAL IN PRINCIPLE PROJECTS

### *Third Quarter Highlights and Forecast*

In the nine months ending September 30, 2011, over 70% of the Approval in Principle (AIP) projects have been initiated. Significant projects not yet initiated at the end of the third quarter include:

- 100-400 Series MK-I Overhaul - Refurbish and Modernize ($55 million) – currently still in the project design stage with anticipated SPA approval in December.
- Trolley Overhead, Non-Revenue Vehicle, and Community Shuttle Relocation ($50 million) – This project has been cancelled for the 2011 Capital Program because the location on which this project was based is no longer available. A new facility site has been identified in 2011 and the land acquisition completion is expected to be in March 2012. Design for this facility at the new site is expected to start after completion of the land acquisition in 2012 under the 2012 Capital Program, with construction targeted in the 2013 Capital Program.

There were also three capital projects added to the program and initiated in this quarter totalling $2.36 million.

## MANAGEMENT OF THE CAPITAL ENVELOPE

The approval in principal stage is based on an estimated project budget, in advance of detailed design and scoping. Specific project approval budgets may be higher or lower than the Approval in Principle budgets. Monitoring project variances in the active projects program helps to manage the overall capital envelope. Under spent funds available may be employed against high-priority projects that are currently not in the capital program but warrant immediate attention due to strategic, safety or regulatory requirements. Lastly, management will consider further prioritization and deferral of projects if required to ensure the capital envelope is balanced.

## 8. FINANCIAL POSITION AND CASH FLOW

The Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows as of September 30, 2011 are included in Appendix 1. A brief analysis of those statements is presented below.

### FINANCIAL POSITION

The increase in assets from year-end is mainly reflective of the increase in cash and investments. The receipt of $122 million of Federal Gas Tax in March 2011 (which was accrued in 2010) has largely remained unspent to date along with the $55 million on-hand at year-end. The receipt of property taxes in August 2011 has also boosted cash on hand and short-term investments.

The increase in liabilities reflects the $200 million 30-year bond issue in June 2011. Payables are also higher than year-end and are merely seasonal as property taxes are booked to deferred revenue.

### LIQUIDITY/CASH FLOW

TransLink has good liquidity with $208.7 million in cash and $354.9 million in short term investments ($170 million is restricted Federal Funds). The commercial paper program is only 18% utilized ($90 million out of $500 million) and despite the European debt crisis the Canadian money markets have remained very liquid and investors are still looking for good quality paper such as TransLink.

## 9. APPENDIX 1 – FINANCIAL RESULTS

**TransLink (Excluding AirCare)** **Schedule 1**
**2011 Revenue and Expenditure Summary Statement**
**On a Funding Basis**
**$000's**

**A. Revenues and Expenditures**

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) | 2011 GAAP Budget |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Transit | 331,045 | 320,659 | 10,386 | 439,305 | 432,525 | 6,780 | 432,525 |
| Golden Ears Bridge Tolls | 24,986 | 27,497 | (2,511) | 34,473 | 37,792 | (3,319) | 37,792 |
| Real Estate | - | - | - | - | 35,000 | (35,000) | 35,000 |
| Taxation | | | | | | | |
| Fuel | 227,334 | 243,517 | (16,183) | 298,482 | 324,300 | (25,818) | 324,300 |
| Property | 208,661 | 208,762 | (101) | 277,967 | 279,192 | (1,225) | 279,192 |
| Hydro Levy | 14,066 | 13,926 | 140 | 18,954 | 18,737 | 217 | 18,737 |
| Parking Sales | 40,161 | 36,900 | 3,261 | 52,467 | 49,200 | 3,267 | 49,200 |
| Replacement Tax | 13,500 | 13,378 | 122 | 18,000 | 18,000 | - | 18,000 |
| **Total Taxation** | **503,722** | **516,483** | **(12,761)** | **665,870** | **689,429** | **(23,559)** | **689,429** |
| Interest Income | 2,536 | 1,491 | 1,045 | 3,280 | 2,619 | 661 | 26,217 |
| Senior Government Capital Contributions | - | - | - | - | - | - | 176,666 |
| Senior Government Operating Contributions | 14,412 | 14,412 | - | 19,269 | 19,269 | - | 19,269 |
| Amortization of deferred Concessionare credit | - | - | - | - | - | - | 23,078 |
| **Total Revenues** | **876,701** | **880,542** | **(3,841)** | **1,162,197** | **1,216,634** | **(54,437)** | **1,439,976** |
| **Expenditures** | | | | | | | |
| **Roads & Bridges** | | | | | | | |
| Major Road Network Operations | 25,362 | 26,280 | 918 | 34,691 | 35,040 | 349 | 35,040 |
| Golden Ears Bridge Operations | 8,802 | 9,181 | 379 | 12,317 | 12,233 | (84) | 12,233 |
| Capital Infrastructure Contributions | - | - | - | - | - | - | 67,571 |
| Albion Ferry | 276 | 100 | (176) | 328 | 100 | (228) | 100 |
| **Total Roads & Bridges** | **34,440** | **35,561** | **1,121** | **47,336** | **47,373** | **37** | **114,944** |
| **Transit** | | | | | | | |
| **Bus Division** | | | | | | | |
| Coast Mountain Bus Company | 381,065 | 392,862 | 11,797 | 517,688 | 527,987 | 10,299 | 527,987 |
| Access Transit | 34,964 | 35,986 | 1,022 | 46,703 | 48,148 | 1,445 | 48,148 |
| Other Contractors | 13,997 | 13,772 | (225) | 18,720 | 18,294 | (426) | 18,294 |
| **Total Bus Division** | **430,026** | **442,620** | **12,594** | **583,111** | **594,429** | **11,318** | **594,429** |
| **Rail Division** | | | | | | | |
| Expo and Millenium Lines | 68,390 | 69,249 | (859) | 93,973 | 94,518 | (545) | 95,549 |
| West coast Express | 13,319 | 14,162 | (843) | 18,287 | 18,726 | (439) | 18,775 |
| Canada Line | 72,185 | 73,684 | (1,499) | 99,008 | 100,555 | (1,547) | 100,555 |
| **Total Rail Division** | **153,894** | **157,095** | **3,201** | **211,268** | **213,799** | **2,531** | **214,879** |
| **Property tax, rentals, fare media & insurance** | **26,367** | **30,797** | **4,430** | **35,451** | **41,246** | **5,795** | **41,246** |
| **Total Transit** | **610,287** | **630,512** | **20,225** | **829,830** | **849,474** | **19,644** | **850,554** |
| **TransLink** | **41,533** | **55,497** | **13,964** | **69,203** | **77,308** | **8,105** | **77,308** |
| **Transit Police** | **19,569** | **20,815** | **1,246** | **28,730** | **28,678** | **(52)** | **28,678** |
| **Provision for Contingencies and Reinvestments** | - | - | - | **9,672** | **9,792** | **120** | **9,792** |
| **Interest Expense** | **79,152** | **79,995** | **843** | **105,431** | **106,209** | **778** | **172,040** |
| **Depreciation Expense** | **9,375** | **7,808** | **(1,567)** | **12,275** | **12,625** | **350** | **165,897** |
| **Debt Repayment** | **71,000** | **72,170** | **1,170** | **95,271** | **97,835** | **2,564** | - |
| **GEB Capital Payments** | **34,035** | **33,091** | **(944)** | **47,489** | **46,452** | **(1,037)** | - |
| **Total Expenditures** | **899,391** | **935,449** | **36,058** | **1,245,237** | **1,275,746** | **30,509** | **1,419,213** |
| **Annual Surplus/(Deficit) before other items** | **(22,690)** | **(54,907)** | **32,217** | **(83,040)** | **(59,112)** | **(23,928)** | **20,763** |
| **Other items** | | | | | | | |
| **Foreign Exchange** | (10) | - | (10) | - | - | - | - |
| **Loss on disposal of capital assets** | (64) | - | (64) | - | - | - | - |
| **Annual Surplus/(Deficit) before AirCare** | **(22,616)** | **(54,907)** | **32,291** | **(83,040)** | **(59,112)** | **(23,928)** | **20,763** |

**B. Cumulative Funded Surplus**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Opening Balance** | **327,882** | **303,806** | **24,076** | **327,882** | **303,806** | **24,076** |
| (Surplus) / Deficit for the year | (22,616) | (54,907) | 32,291 | (83,040) | (59,112) | (23,928) |
| **Closing Balance** | **305,266** | **248,899** | **56,367** | **244,842** | **244,694** | **148** |

South Coast British Columbia Transportation Authority
Consolidated Statement of Financial Position
(Unaudited)
(in thousands of dollars)

September 30, 2011, with December 31, 2010 comparative figures

| | Sep 30 2011 | Dec 31 2010 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | $ 208,729 | $ 109,928 |
| Short-term investments | 354,911 | 114,607 |
| Accounts receivable | 69,525 | 197,551 |
| Supplies inventory | 36,739 | 36,335 |
| Prepaid expenses | 10,921 | 8,672 |
| | 680,825 | 467,093 |
| Interfund | - | - |
| Long-term investments | 20,253 | 20,509 |
| Debt reserve deposits | 41,774 | 40,857 |
| Debt sinking funds | 488,966 | 447,855 |
| Capital assets | 4,459,736 | 4,528,955 |
| Other assets | 304 | - |
| Deferred financing charge | 1,633 | 1,975 |
| | $ 5,693,491 | $ 5,507,244 |
| **Liabilities and Fund Balances (Deficit)** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 252,433 | $ 203,658 |
| Short term loan | 90,000 | 90,000 |
| | 342,433 | 293,658 |
| Employee future benefits | 55,603 | 51,491 |
| Deferred concessionaire credits | 667,339 | 684,641 |
| Golden Ears Bridge contractor liability | 1,016,963 | 1,000,845 |
| Long-term debt | 2,370,745 | 2,173,943 |
| Deferred lease inducements | 750 | - |
| | 4,453,833 | 4,204,578 |
| Fund balances (deficit): | | |
| Invested in capital assets | 937,062 | 1,160,213 |
| Externally restricted | 174,440 | 178,825 |
| Unrestricted surplus (deficit) | 128,156 | (36,372) |
| | 1,239,658 | 1,302,666 |
| | $ 5,693,491 | $ 5,507,244 |

South Coast British Columbia Transportation Authority
Consolidated Statement of Cash Flows
(Unaudited)
(in thousands of dollars)

Nine months ended September 30, 2011, with comparative figures for 2010

| | Sep 30 2011 | Sep 30 2010 |
|---|---|---|
| Cash provided by (used for): | | |
| Operations: | | |
| Deficiency of revenue over expenses | $ (63,008) | $ (29,657) |
| Items not involving cash | 119,693 | 127,737 |
| Changes in non-cash working capital | 178,260 | (17,491) |
| | 234,945 | 80,589 |
| Investing: | | |
| Increase in short-term investments | (240,304) | (4,610) |
| Decrease (increase) in long-term investments | 256 | (1,909) |
| (Increase) decrease in debt reserve deposits | (917) | 355 |
| Net proceeds from disposal of capital assets | 2,830 | 715 |
| Proceeds to acquire non-controlling interest | - | (20) |
| Purchase of other assets (lease commission) | (304) | - |
| Purchase of capital assets | (52,332) | (74,113) |
| | (290,771) | (79,582) |
| Financing: | | |
| Short-term loan proceeds (net of repayments) | - | 17,133 |
| Issue costs on short-term financing | (412) | (2,634) |
| Long-term debt proceeds | 200,000 | - |
| Issue costs on long-term financing | (2,532) | - |
| Repayments on long-term debt | - | (19,346) |
| Contributions to debt sinking funds | | |
| - annual contributions | (28,388) | (29,493) |
| - interest earned | (14,791) | (13,057) |
| Dividend paid to non-controlling interest | - | (2,906) |
| Lease inducements received | 750 | - |
| | 154,627 | (50,303) |
| Increase (decrease) in cash | 98,801 | (49,296) |
| Cash, beginning of period | 109,928 | 86,664 |
| Cash, end of period | $208,729 | $ 37,368 |
| Supplementary information: | | |
| Interest paid | 72,027 | 68,679 |
| Repayment of long-term debt through debt sinking funds | 2,068 | 20,932 |

South Coast British Columbia Transportation Authority
Consolidated Statement of Cash Flows
(Unaudited)
(in thousands of dollars)

Nine months ended September 30, 2011, with comparative figures for 2010

| | Sep 30 2011 | Sep 30 2010 |
|---|---|---|
| Items not involving cash: | | |
| Amortization of capital assets | $118,785 | $ 114,145 |
| Amortization of bond discount | 1,402 | 1,296 |
| Amortization of debt issue cost | 754 | 440 |
| Amortization of deferred concessionaire credits | (17,302) | (17,248) |
| Interest accretion on contractor liability | 16,118 | 28,327 |
| Gain on disposal of capital assets | (64) | (528) |
| Non-controlling interest in income of TPCC | - | 1,305 |
| | $119,693 | $ 127,737 |
| Changes in non-cash working capital: | | |
| Decrease (increase) in accounts receivable | $128,026 | $ (18,094) |
| Increase in supplies inventory | (404) | (3,062) |
| Increase in prepaid expenses | (2,249) | (2,694) |
| Increase in accounts payable and accrued liabilities | 48,775 | 3,089 |
| Increase in employee future benefit payable | 4,112 | 3,270 |
| | $178,260 | $ (17,491) |

**Schedule 2**

Reconciliation of Cumulative Funded Surplus

| | |
|---|---|
| Opening Balance - 2011 (Based on 2010 Q3 Forecast) | $ 303,806 |
| Reverse: 2010 Q3 Forecast | 8,473 |
| Actual Balance as of Jan 1, 2010 (Audited) | 312,279 |
| Add: 2010 Actual results (Audited) | 15,603 |
| Actual Balance as of Jan 1, 2011 (Audited) | $ 327,882 |
| Add: Excess (deficiency) of revenue over expenses | (22,616) |
| Closing Balance - 2011 Third Quarter | $ 305,266 |

**Schedule 3**

**Golden Ears Bridge**
**Net Impact on Funding**
**($000's)**

| ($000's) | Q3 YTD Actual | Q3 YTD Budget | Fav./ (Unfav.) | 2011 Forecast | 2011 Budget | Fav./ (Unfav.) |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Toll Revenue | $ 24,986 | $ 27,497 | $ (2,511) | $ 34,473 | $ 37,792 | $ (3,319) |
| Interest | 59 | 48 | 11 | 78 | 64 | 14 |
| **Total Revenues** | 25,045 | 27,545 | (2,500) | 34,551 | 37,856 | (3,305) |
| **Expenditures** | | | | | | |
| Tolling Concessionaire | 4,507 | 4,547 | 40 | 6,160 | 6,048 | (112) |
| O&M payments to DBFO contractor | 3,151 | 3,150 | (1) | 4,263 | 4,200 | (63) |
| O&M Insurance | 872 | 975 | 103 | 1,186 | 1,300 | 114 |
| Safety Payments to DBFO contractor | - | 210 | 210 | 280 | 280 | - |
| Others | 272 | 299 | 27 | 428 | 405 | (23) |
| | $ 8,802 | $ 9,181 | $ 379 | $ 12,317 | $ 12,233 | $ (84) |
| Debt Service Costs | 8,972 | 9,525 | 553 | 12,144 | 12,700 | 556 |
| Capital payments to DBFO contractor | 34,035 | 33,091 | (944) | 47,489 | 46,452 | (1,037) |
| **Total Expenditures** | $ 51,809 | $ 51,797 | $ (12) | $ 71,950 | $ 71,385 | $ (565) |
| **Funded (Deficit)/Surplus** | $ (26,764) | $ (24,252) | $ (2,512) | $ (37,399) | $ (33,529) | $ (3,870) |
| **Cummulative (Deficit)/Surplus** | $ (58,698) | $ (56,186) | $ (2,512) | $ (69,333) | $ (65,463) | $ (3,870) |

## 10. APPENDIX 2 – KEY PERFORMANCE INDICATORS

Schedule 1

| BUS DIVISION KPI'S | YTD Actual | YTD Budget | Fav./ (Unfav.) | 4 QTRS. to 30-Sep-11 | 4 QTRS. to 30-Sep-10 | Trend * |
|---|---|---|---|---|---|---|
| **CONVENTIONAL TRANSIT** | | | | | | |
| **Customer** | | | | | | |
| Delivered service hours/scheduled | 99.73% | 99.50% | 0.23% | 99.74% | 99.83% | ▶ |
| Overall performance rating out of 10 | 7.7 | n/a | n/a | 7.6 | 7.6 | ▶ |
| Complaints per 1 m boarded passengers | 125.1 | 114.2 | (10.9) | 124.6 | 111.9 | ▼ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per service hour | $ 107.13 | $ 109.95 | $ 2.82 | $ 108.46 | $ 109.92 | ▲ |
| Operating cost per passenger km. | $ 0.376 | $ 0.423 | $ 0.047 | $ 0.391 | $ 0.443 | ▲ |
| Operating cost (excluding energy) per passenger km. | $ 0.339 | $ 0.381 | $ 0.042 | $ 0.353 | $ 0.406 | ▲ |
| **CMBC** | | | | | | |
| **Customer** | | | | | | |
| Delivered service hours/scheduled | 99.72% | 99.50% | 0.22% | 99.73% | 99.83% | ▼ |
| Overall performance rating out of 10 | 7.7 | 7.6 | 0.1 | 7.6 | 7.6 | ▶ |
| Preventable collisions per million kms. | 8.4 | 9.0 | 0.6 | 8.3 | 9.7 | ▲ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per service hour | $ 108.16 | $ 111.17 | $ 3.01 | $ 109.56 | $ 111.40 | ▲ |
| Operating cost per passenger km. | $ 0.379 | $ 0.427 | $ 0.048 | $ 0.395 | $ 0.450 | ▲ |
| Operating cost (excluding energy) per passenger km. | $ 0.343 | $ 0.386 | $ 0.043 | $ 0.358 | $ 0.412 | ▲ |
| Mean distance between vehicle failures | 30,441 | 24,454 | 5,987 | 30,465 | 27,613 | ▲ |
| Total spills per million kms. | 15.7 | 14.0 | (1.7) | 15.3 | 14.9 | ▼ |
| **People** | | | | | | |
| Assaults per million service hours | 30.1 | 23.5 | (6.6) | 27.8 | 24.6 | ▼ |
| Engagement Pulse Checks | n/a | 60.0% | n/a | n/a | n/a | |
| Lost time Frequency (per 200,000 hours worked) | 5.34 | n/a | n/a | 6.28 | 6.58 | ▲ |
| **Contract Community Shuttle** | | | | | | |
| **Customer** | | | | | | |
| Delivered service hours/scheduled | 99.97% | 99.95% | 0.02% | 99.97% | 99.97% | ▶ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per service hour | $ 58.27 | $ 55.08 | $ (3.19) | $ 58.03 | $ 52.34 | ▼ |
| Operating cost per passenger km. | $ 0.565 | $ 0.554 | $ (0.011) | $ 0.561 | $ 0.551 | ▶ |
| Operating cost (excluding energy) per passenger km. | $ 0.470 | $ 0.469 | $ (0.001) | $ 0.470 | $ 0.470 | ▶ |
| **West Vancouver** | | | | | | |
| **Customer** | | | | | | |
| Delivered service hours/scheduled | 99.91% | 99.95% | (0.0%) | 99.90% | 99.67% | ▶ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per service hour | $ 102.06 | $ 101.88 | $ (0.18) | $ 101.94 | $ 94.38 | ▼ |
| Operating cost per passenger km. | $ 0.257 | $ 0.281 | $ 0.024 | $ 0.265 | $ 0.272 | ▲ |
| Operating cost (excluding energy) per passenger km. | $ 0.219 | $ 0.243 | $ 0.024 | $ 0.227 | $ 0.238 | ▲ |
| **ACCESS TRANSIT** | | | | | | |
| **Customer** | | | | | | |
| Complaints per 1 m boarded passengers | 873.9 | 787.2 | (86.7) | 903.9 | 855.4 | ▼ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per service hour | $ 77.35 | $ 80.22 | $ 2.87 | $ 77.77 | $ 81.82 | ▲ |
| Operating cost per boarded passenger | $ 30.46 | $ 31.55 | $ 1.09 | $ 30.67 | $ 32.16 | ▲ |
| Operating cost per passenger km. ** | $ 6.26 | $ 6.34 | $ 0.08 | $ 5.92 | $ 6.10 | |
| Operating cost (excluding energy) per passenger km. ** | $ 5.89 | $ 6.00 | $ 0.10 | $ 5.58 | $ 5.83 | |
| **Service Hours (Delivered 000's)** | | | | | | |
| Conventional Bus | 3,167.4 | 3,173.3 | (5.9) | 4,234.7 | 4,270.9 | ▼ |
| Community Shuttle | 347.8 | 352.4 | (4.6) | 464.3 | 472.8 | ▼ |
| SeaBus | 8.1 | 8.0 | 0.1 | 10.7 | 11.2 | ▼ |
| CMBC Total | 3,523.3 | 3,533.8 | (10.5) | 4,709.7 | 4,754.9 | ▼ |
| Contracted Community Shuttle | 63.8 | 63.8 | - | 85.3 | 84.4 | ▲ |
| West Vancouver | 100.7 | 100.7 | - | 135.0 | 139.8 | ▼ |
| Conventional Transit Total | 3,687.8 | 3,698.2 | (10.4) | 4,930.1 | 4,979.0 | ▼ |
| Access Transit | 452.0 | 448.6 | 3.4 | 598.1 | 501.8 | ▲ |

* Trend compares 4 quarters ending this year vs. last year

** Access Transit passenger km. not recorded prior to Jan 1, 2010

▲ favourable, ▼ unfavourable, ▶ no change

Schedule 2

| RAIL DIVISION KPI's | YTD Actual | YTD Budget | Fav./ (Unfav.) | 4 QTRS. to 30-Sep-11 | 4 QTRS. to 30-Sep-10 | Trend * |
|---|---|---|---|---|---|---|
| **Rail Division** | | | | | | |
| **Customer** | | | | | | |
| Complaints per 1 m boarded passengers | 11.96 | n/a | n/a | 12.48 | 11.14 | ▼ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per passenger km. | $ 0.161 | $ 0.174 | $ 0.013 | $ 0.164 | $ 0.153 | ▼ |
| Operating cost (excluding energy) per passenger km. | $ 0.153 | $ 0.165 | $ 0.012 | $ 0.158 | $ 0.151 | ▼ |
| **SkyTrain - Expo and Millenium Lines** | | | | | | |
| **Customer** | | | | | | |
| Service reliability (% service hours delivered) | 99.6% | 99.8% | (0.2%) | 99.6% | 99.6% | ▶ |
| On-time performance % (within 2 minutes) | 95.3% | 94.5% | 0.8% | 95.3% | 95.1% | ▶ |
| Overall mystery shopper score | 94.1% | 90.0% | 4.1% | 93.6% | 92.3% | ▲ |
| Complaints per 1 m boarded passengers | 4.87 | 5.14 | 0.27 | 4.86 | 5.08 | ▲ |
| Major passenger injuries per 1 m boarded passengers | 1.41 | 1.10 | (0.31) | 1.32 | 1.28 | ▼ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per total vehicle km. | $ 2.04 | $ 2.15 | $ 0.11 | $ 2.09 | $ 2.01 | ▼ |
| Operating cost per passenger km. | $ 0.118 | $ 0.122 | $ 0.004 | $ 0.119 | $ 0.118 | ▶ |
| Operating cost (excluding energy) per passenger km. | $ 0.107 | $ 0.110 | $ 0.003 | $ 0.111 | $ 0.116 | ▲ |
| Mean distance between failures | 389,377 | 250,000 | 139,377 | 360,849 | 346,586 | ▲ |
| Collisions and derailments per million km. | 0.03 | - | (0.03) | 0.02 | 0.06 | ▲ |
| **People** | | | | | | |
| Lost time frequency (per 200,000 hours worked) ** | 3.46 | 2.12 | (1.34) | 3.18 | 2.83 | ▼ |
| **Canada Line *** ** | | | | | | |
| **Customer** | | | | | | |
| Service reliability (% service hours delivered) | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | ▶ |
| Availability vehicle, station, system | 100.0% | 100.0% | 0.0% | 100.0% | 100.0% | ▶ |
| Perception of security - onboard and at stations | 8.5 | 8.5 | - | 8.5 | 8.7 | ▼ |
| Complaints per 1 m boarded passengers | 14.61 | n/a | n/a | 15.50 | 15.30 | ▼ |
| Quality - vehicle, station, system | 99.5% | 100.0% | (0.5%) | 99.6% | 99.8% | ▶ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per revenue vehicle km. | $ 15.74 | $ 16.71 | $ 0.97 | $ 15.98 | $ 13.51 | ▼ |
| Collisions and derailments per million km. | - | - | - | - | - | |
| Contract adherence monitoring | 95.9% | 98.5% | (2.6%) | 95.5% | 96.1% | ▶ |
| **West Coast Express** | | | | | | |
| **Customer** | | | | | | |
| Service reliability (% service hours delivered) | 99.8% | 99.9% | (0.1%) | 99.8% | 99.9% | ▶ |
| On-time performance (within 5 minutes) | 97.6% | 97.8% | (0.2%) | 97.4% | 97.4% | ▶ |
| Overall customer satisfaction - mystery shopper | 90.2% | 86.5% | 3.7% | 90.3% | 88.4% | ▲ |
| Complaints per 1 m boarded passengers | 175.17 | 90.76 | (84.41) | 188.70 | 125.40 | ▼ |
| Major passenger injuries per 1 m. boarded passengers | 0.47 | 1.01 | 0.54 | 0.72 | 0.73 | ▲ |
| **Internal Effectiveness** | | | | | | |
| Operating cost per total vehicle km. | $ 12.17 | $ 12.57 | $ 0.40 | $12.68 | $12.68 | ▶ |
| Operating cost per passenger km. | $ 0.188 | $ 0.211 | $ 0.023 | $ 0.197 | $ 0.189 | ▼ |
| Operating cost (excluding energy) per passenger km. | $ 0.175 | $ 0.195 | $ 0.020 | $ 0.184 | $ 0.179 | ▼ |
| Mean distance between failures | 348,992 | 152,000 | 196,992 | 277,724 | 160,473 | ▲ |
| Collisions and derailments per million km. | - | - | - | - | - | |
| **People** | | | | | | |
| Lost time frequency (per 200,000 hours worked) | - | - | - | - | - | |
| **Service Stats (including Olympics)** | | | | | | |
| **Service Kilometres (000's)** | | | | | | |
| SkyTrain - Expo and Millennium Line | 35,252 | 34,049 | 1,203 | 46,880 | 46,696 | ▶ |
| SkyTrain - Canada Line *** | 4,659 | 4,631 | 28 | 6,196 | 6,158 | ▶ |
| West Coast Express | 1,138 | 1,166 | (28) | 1,520 | 1,433 | ▲ |

* Trend compares 4 quarters ending March 31, 2011 to 4 quarters ending March 31, 2010, improving trends are >1%; negative trends are <1%, with the exception of measures using operating costs where the threshold used is < or > 2%

** One lost time accident (LTA) was a result of an incident in 2010 that had no impact until 2011. Two LTAs were a result of technicians being rear-ended in an automobile accident.

*** Canada Line results for the four quarters ending June 30, 2010 include results from when service began in August 2009.

▲ favourable, ▼ unfavourable, ▶ no change

**Caution Regarding Forward-Looking Statements**

From time to time, Translink makes written and/or oral forward looking statements, including in this document, and in other communications. In addition, representatives of Translink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require Translink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond Translink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.